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# British Air talks to Northwest

## Alliance would give flight to global carrier

**By Jennifer Lawrence and Cleveland Horton**

Northwest Airlines is in serious discussions with British Airways to forge a corporate alliance that would create a new, powerful global airline brand, *Advertising Age* has learned.

A proposal under consideration would dissolve the Northwest name and replace it with some form of the British Airways name, said one source involved in the talks.

That could give Northwest, the fourth-largest U.S. carrier, a much-needed image boost and British Airways, Europe's largest carrier, an expanded global presence.

The overall strategy is to repackage Northwest to achieve a marketing integration with British Airways—from frequent flier programs, scheduling and route coordination to employee training and corporate identity.

The plan could be implemented sometime in 1992.

It's not clear whether British Airways would take an equity position in Northwest or whether some other financial arrangement would be structured.

Northwest is already partly owned by KLM Royal Dutch Airlines. Northwest said KLM holds 10.5% of the voting common stock and 20% of common stock. KLM's role in the plan is uncertain.

Foreign airlines are restricted by law from owning more than 49% of a U.S. carrier.

Northwest also has been discussing buying major portions of Continental Airlines, but it appears those talks are proceeding separately.

At press time, British Airways officials in London were traveling. A person in the press office who wouldn't give her name said the company "never comments on such things."

Northwest also declined to comment. "We will maintain our usual position of not commenting or speculating on

*(Continued on Page 59)*

## LAST MINUTE NEWS

### Whittle, Forstmann talks die

KNOXVILLE, Tenn.—Talks collapsed Friday between Whittle Communications and Forstmann Little & Co. The New York-based investment partnership had agreed in principle last month to invest $350 million in Whittle for a one-third stake. The parties said they couldn't agree on the valuation for Whittle. Chairman Christopher Whittle said in an employee newsletter last week that a large portion of the funds would have been used to finance an unidentified $100 million acquisition. He added that the acquisition negotiations were called off two weeks ago but that the company will still look for other capital infusions.

### AmEx nears campaign decision

NEW YORK—American Express Co. this week is ex-

*(Continued on Page 8)*

MAGAZINE CONFERENCE

Doug Goodman

Gen. H. Norman Schwarzkopf (r.), a conference speaker, buddies up to Reg Brack.

# Good old days gone: Publishers

**By Scott Donaton**

NAPLES, Fla.—The recession has led to a transformation of the magazine industry, and publishers must adapt to doing business in a permanently altered marketplace.

That was the consensus among publishers here at last week's American Magazine Conference, co-sponsored by the Magazine Publishers of America and the American Society of Magazine Editors.

That attitude was in marked contrast to last year's meeting, when publishers portrayed themselves as victims of the recession who would bounce back when the economy improved.

This year, conference participants said there have been fundamental changes in relationships between magazines and advertisers and that publishers must invest in editorial quality and focus on circulation profitability.

■ **Negotiated rates are here to stay, agencies tell magazines—Page 36.**
■ **Publishers are focusing on quality subscriptions, not volume—Page 50.**
■ **A behind the scenes look at the magazine conference—Page 58.**

But above all the calls for creative problem solving, the essential message was that an economic recovery won't mean a return to the salad days of the mid-1980s.

"People are now very cautious about

*(Continued on Page 58)*

# High court may open ad tax

**By Steven W. Colford**

WASHINGTON—The door to state taxation of advertising could be opened if the U.S. Supreme Court overturns a 24-year-old law protecting direct marketers from state sales taxes.

That's striking fear in the minds of industry representatives and lawyers in the wake of the high court's decision last week to consider a controversial North Dakota case.

**"This will most likely be the case that decides the future of the mail-order business."**

At issue is whether a direct marketer must have an office or other physical presence in the taxing state or whether, as some states now argue, mailing catalogs and using 800 phone numbers locally is sufficient presence for taxation purposes.

A landmark 1967 Supreme Court ruling said direct marketers must pay sales taxes only in states in which the company has a physical presence.

The principals in the long-simmering dispute: the state of North Dakota, intent on forcing direct marketers to ante up an estimated $5 million in annual sales and use tax receipts, and Quill Corp., an Illinois marketer of office supplies that refused to collect and remit the state's 5% sales tax.

Because of the potential scope of the court's decision, the advertising and media industries stand to lose big if the court veers away from its precedent, *National Bellas Hess vs. Illinois Department of Revenue*.

Industry officials fear money-starved local governments would then be able to argue that the transmission of a broadcast ad into a state or mailing of a catalog to residents would entitle the states to collect taxes.

"I'd say it's a 60% to 70% chance that *Bellas Hess* is dead in the water," said Thomas McG[illegible], a Washington attorney at Arnold & Porter, which represents major adver-

*(Continued on Page 60)*

Tom Bachtell

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# RJR's Camel leaves Y&R for upstart shop

**By Judann Dagnoli and Jon Lafayette**

A two-man agency has snatched R.J. Reynolds Tobacco Co.'s $40 million Camel cigarette account away from giant Young & Rubicam, New York.

RJR on Friday said the creative portion of the domestic account will be moved "effectively immediately" to Mezzina/Brown, formed in July by two former Y&R staffers.

The account is the first for the fledgling New York shop, which has yet to even establish a formal office. Media buying will continue to be handled in-house.

The new agency was formed by John Mezzina, former senior VP-group creative director, and Bill Brown, former senior VP-group director, both of whom worked on the Camel account.

Before leaving Y&R, the two executives were negotiating with the agency to establish either a "mini" agency-within-an-agency or a separate shop backed by Y&R, but sources say those talks fell through.

Neither Mr. Brown nor Mr. Mezzina could be reached at press time; Y&R wouldn't comment.

"John Mezzina and Bill Brown have been key to the creative evolution of the successful repositioning of the Camel brand for several years," David Iauco, senior VP-marketing at the tobacco company, said in a statement. "Moving from Y&R to Mezzina/-Brown will provide the continuity the brand requires to continue its momentum in our highly competitive industry."

He declined to elaborate.

The shift comes as RJR continues unofficial reviews of its Winston and Salem brands, both currently at FCB/Leber Katz Partners.

RJR is tapping the resources of Y&R, Leber Katz and Trone Advertising, Greensboro, N.C., for new creative on the $25 million Winston account and also is soliciting ideas from Leber Katz and Trone on the $27 million Salem account *(see story on Page 54)*.

But the "unofficial review" status hadn't included Camel. That brand has experienced a significant turaround with the "Smooth character" campaign featuring Old Joe and his gang of "Hard Pack" sidekicks.

The Old Joe character originated as a Camel promotional vehicle in France during the 1980s and later showed up in a Trone-created promotion in the U.S.

Camel's market share last year was 4.4%, up from 3.9% in 1989, the year the full campaign began in the U.S., according to Wheat, First Securities analyst John C. Maxwell Jr. The U.S. cigarette market is estimated at $40 billion-plus.

The move strips Y&R of its largest RJR domestic account, leaving the agency with the $10 million Now cigarette account and the $1.3 million More cigarette account.

Y&R won the Camel account from McCann-Erickson Worldwide in July 1989. □

# Will it be adieu to P&G?

## Euro RSCG may lose account to keep Henkel

**By Bruce Crumley and Laurel Wentz**

Euro RSCG is believed to be prepared to lose its $100 million Procter & Gamble Co. business to keep a similar amount of Henkel business in Europe if P&G stands by its conflict policy.

The conflict issue surfaced early this month when Eurocom and Roux Seguela Cayzac & Goudard agreed to merge, becoming the No. 6 advertising group in the world.

P&G is concerned about the conflict, though Henkel is not, agency sources say.

"This does not really bother me," said Klaus Morwind, Henkel's member of the board in charge of worldwide detergent marketing.

Mr. Morwind confirmed that Eurocom handles close to $100 million in Henkel detergent business—a larger amount than was previously believed—and that Eurocom handles the largest amount of business of any of Henkel's agencies.

He said that since RSCG doesn't handle P&G business in the detergent category, the merger isn't a problem for Henkel.

If P&G believes there's a conflict problem, "I would assume P&G will switch agencies," Mr. Morwind said.

Agency sources in Europe say Euro RSCG's focus on Europe means the group is expected to keep the Henkel business if it must choose between Henkel and P&G.

P&G declined to comment on its agency relationships.

**If P&G believes there's a conflict problem, "I would assume P&G will switch agencies."**

Jean-Michel Goudard, Euro RSCG's president of international, is going to Cincinnati later this month to meet with P&G, but his office wouldn't comment further.

Although P&G allows its agencies to work for competitors in different product categories, Henkel and Unilever are believed to be exceptions to the rule.

Eurocom and RSCG will maintain separate agencies, but the P&G business at Tatham/RSCG, Chicago, is where the conflict lies.

A Tatham spokeswoman said there's been no change in any client relationships since the merger announcement but that discussions continue concerning any possible conflicts.

Also last week, a top executive quit and RSCG was expelled from the Media Partnership, the media buying group formed by WPP Group and Omnicom Group agencies in Europe.

Jean de Yturbe, former president of Eurocom Advertising, resigned because he was unhappy with the new structure of Euro RSCG requiring him to report to Mr. Goudard, sources say.

Meanwhile, RSCG's expulsion from the Media Partnership leaves Euro RSCG with no European media buying partner. RSCG bought media via the Media Partnership, and Eurocom had been looking for a new partner since ending its European media buying arrangement with Carat in August.

"None of us were consulted in this merger," said Media Partnership President Albert Knobler. "In order to enter . . . [the partnership], the new partner should be agreed upon by all members. Also given Euro RSCG's size, we could have been facing some anti-trust and competition problems here in France." □

# DDB Needham-DIK split?

**By David Kilburn and Jon Lafayette**

DDB Needham Worldwide is on the verge of splitting with Dai-Ichi Kikaku in Japan and setting up its own wholly owned subsidiary there, sources say.

The agency has approached Japan's No. 3 Tokyu Agency to handle media buying for a new subsidiary DDB wants to open, the sources said.

The sources said DDB would be interested in closer ties with Tokyu in the future, but Tokyu is not willing to upset the relationship of its sister agency, Tokyu Agency International, Japan's No. 19 agency, with D'Arcy Masius Benton & Bowles. D'Arcy owns about 24% of Tokyu Agency International.

Tokyu officials said only that they've been approached by a multinational agency wanting media buying services. DDB Needham and DIK wouldn't comment.

The DDB Needham/DIK split isn't expected to affect the joint ventures the two have in other countries. DIK is Japan's No. 6 agency and owns 40% of DDB Needham Japan, the No. 40 shop. DIK also owns 50% of Kresser/Craig, Santa Monica, Calif.; and smaller percentages of other DDB shops around the world. □

# No. 4 Fox often 2nd or 3rd

**By Joe Mandese**

Five years after it began broadcasting to a national lineup of affiliate stations, Fox Broadcasting Co. is still referred to as the fourth network.

But as often as not, Fox's prime-time ratings are third, or even second, to the so-called Big 3 in the current season.

Three weeks into the season, Fox is placing third or better on half its four-night schedule.

On Thursdays, Fox's strongest night, the network is second only to NBC. On Sunday nights, it places a solid third, well ahead of NBC. On Friday and Saturday nights, it runs a close fourth.

More significantly, Fox's ratings are growing at an incredible rate, while the Big 3 are slipping or posting only marginal growth.

"You can't really think of Fox as the fourth network anymore," said Steve Farella, exec VP-media director of Young & Rubicam, New York. "It's no longer a network alternative like cable or syndication, but a part of a base network TV plan for many brands."

For the first three weeks, Fox's average prime-time rating rose 42%, to an 8.1, compared with the same period in 1990, according to Nielsen Media Research. CBS' rose 8%, to a 13.8, while ABC was down 7%, to an 11.7, and NBC dropped 8%, to a 12.1.

"We think of them as an equal player among many key advertising targets—case closed," said David Marans, senior VP-media research, J. Walter Thompson USA.

While agency media executives note that three weeks don't make a season, they point to Fox's long-term growth trends.

"They can't grow in leaps and bounds every year. Otherwise, they would be the No. 1 network very shortly," said Steve Grubbs, senior VP-director of broadcast programming, BBDO Worldwide. "But it's incredible how far they've come in a very short period of time."

Fox hasn't been without its rocky moments. Launched on Oct. 8, 1986, the network got off to a slow start with its ad sales and marketing. But after some turnover in the sales department, Fox appears to have hit on the right mix of sales managers.

Headed by Senior VP-Sales Jon Nesvig, a former senior NBC sales executive, Fox has assembled a team of seasoned Big 3 veterans.

In the 1990-91 upfront market, when the Big 3 decided to abandon the traditional prime-time ratings guarantee policy in favor of an unpopular and confusing formula, Fox executives stuck with the standard one.

When Fox overpromised and underdelivered on ratings estimates last season, it came back in the 1991-92 upfront with conservative numbers that appear to have been a bonus for upfront buyers.

Though Fox's ad revenues are still a fraction of the Big 3, the network is growing at a much faster rate. 1990 revenues totaled $850 million, up 63.5% annually since 1986, according to data from Veronis, Suhler & Associates.

ABC's revenues, meanwhile, grew only 8% to $4.3 billion in the same period; CBS was up 3.8% to $3.3 billion; and NBC grew only 1.5% to $3.2 billion.

Fox has yet to develop a costly national newscast, and its economics may change drastically if it begins to program prime-time hours beyond the Federal Communications Commission's current restrictions under its financial interest and syndication rules.

"They've had a laudatory start, but the challenge they face is the same as all programming sources," said JWT's Mr. Marans. "They have to be able to come up with new hits to refreshen their lineup, and they have to make sure their hard-working veteran shows don't lose ground. That may seem like common sense, but that's what's plaguing NBC now." □

## Fox at 5

Prime-time ratings of the four broadcast networks, based on the first three weeks of 1991-92 season vs. 1990-91 on nights Fox regularly programs.

| | Rating | % chg |
|---|---|---|
| **THURSDAY:** | | |
| NBC | 16.8 | +3% |
| Fox | 11.6 | +93% |
| CBS | 11.1 | −13% |
| ABC | 8.9 | −11% |
| **FRIDAY:** | | |
| ABC | 12.4 | −4% |
| CBS | 12.0 | +5% |
| NBC | 6.6 | −28% |
| Fox | 5.4 | +17% |
| **SATURDAY:** | | |
| NBC | 12.6 | −6% |
| CBS | 8.1 | −7% |
| ABC | 7.7 | −18% |
| Fox | 6.3 | +54% |
| **SUNDAY:** | | |
| CBS | 17.1 | +11% |
| ABC | 11.4 | −12% |
| Fox | 9.0 | +22% |
| NBC | 8.6 | −25% |

Source: Nielsen Media Research

## In tune with prunes

YUBA CITY, Calif.—She gave her last album, "No Nonsense," the name of a leading pantyhose brand. Now, country star Barbara Mandrell is singing the praises of the prune. Sunsweet Growers next week will break five 15-second TV spots for its Sunsweet prunes: Ms. Mandrell stars in all five but doesn't sing. Instead, in rural and theatrical settings, she tells consumers how sweet and tasty the pitted prunes are.

Sunsweet signed Ms. Mandrell to a multiyear contract because of her popularity with women 45 and older, the primary prune buyers, said Bob Swensen, Sunsweet's VP-marketing.

J. Walter Thompson USA, San Francisco, created the commercials, which will run during network daytime and early evening programming. □

# Nike eyes the ladies

## Growth prospects alluring in that segment

**By Marcy Magiera**

Nike is trying to strengthen its game in the women's market with the double team of the Nike and Side 1 brands.

The company is already so strong in the men's segment, observers say, that any further increase in share will be relatively small. So the leading athletic shoe marketer is focusing on women for growth.

Nike plans to boost its $12 million media budget for Nike brand women's shoes significantly in fiscal 1993, starting in June, and in spring may break its first TV advertising aimed specifically at women.

This month, the Side 1 brand gets its first product-specific advertising, with TV spots for walking shoes and the Sculptor aerobic shoe.

Print ads in *Glamour, Cosmopolitan, Shape* and *Women's Sport & Fitness* will also be used.

"Fits like a glove. Feels like love," the voice-over in the Sculptor spot says; the new walking-shoe spot will use Side 1's established "All sides are the same side" theme.

Side 1 is also introducing fitness apparel this month in such retail chains as Nordstrom, Macy's and Lady Foot Locker.

Nike is looking to women's shoes and apparel for growth.

"Apparel is really going to help us merchandise the footwear," said Deb Johnsen, general manager of the Side 1 division.

Spending on Side 1 is expected to be about $8 million through the holiday season, she said.

Nike is supporting Nike brand women's shoes with a $6 million print campaign this fall, in magazines including *Cooking Light, Country Living, Elle, People, Mirabella* and *Vanity Fair*.

A series of double spread ads for aerobics, walking, running and cross-training shoes tells young women they don't have to live up to anyone else's perceptions.

Wieden & Kennedy, Portland, Ore., creates advertising; SFM Media, New York, does placement.

Nike introduced Side 1 in 1989 as fashion footwear. Last spring, Nike spent $8 million to relaunch the brand as a fashion-forward athletic shoe, Ms. Johnsen said.

Commercials are running nationally on MTV: Music Television and on a local basis in San Francisco, Los Angeles, Chicago and Portland.

"There's no question that the women's area is a high priority" for Nike, said John Horan, publisher of *Sporting Goods Intelligence*, an industry newsletter. But he questioned Nike's emotional approach in women's marketing.

Nike's "men's marketing is very hip and sassy," Mr. Horan said. "But they seem to think they have to talk to women with a different voice, almost so that you'd never know it's the same brand." □

# Chiat lures Babbit to Big Apple from Atlanta

**By Jon Lafayette and Leslie Bayor**

Joel Babbit, one of the "bad boys" of Atlanta advertising, is leaving as president of Babbit & Reiman to join Chiat/Day/Mojo as exec VP-general manager of its New York office.

Chiat has been looking for someone to run the unit since office President Bob Perkins left to join Pizza Hut in March. His departure forced Chiat North America Chairman-CEO Bob Wolf to run the office.

It's expected Mr. Wolf will stay in New York and pass some of his office responsibilities to Mr. Babbit. The post of president of the New York office will remain unfilled.

Mr. Babbit and Joey Reiman founded Babbit & Reiman in 1986 and sold the agency to Gold Greenlees Trott, London, for $2.3 million in 1988, when billings were $40 million.

Billings at the agency, known for its bragging, in-your-face style of advertising as well as for the creative awards it won, reached $50 million last year.

Mr. Babbit, 38, said the fact that he no longer owns the agency contributed to his decision to leave.

"I guess to some extent when we sold the agency we achieved a goal by building up an agency and selling it," he said. "Now I'm ready for a new challenge."

J. Babbit

Chiat was "the only agency that could have drawn me away," Mr. Babbit said. "I thought I'd be here for the rest of my life."

Mr. Babbit was replaced by Michael Gaffney, 52, general manager of the agency.

"I am comfortable about leaving since Mike Gaffney is taking over as president and the firm is in the best shape," Mr. Babbit said.

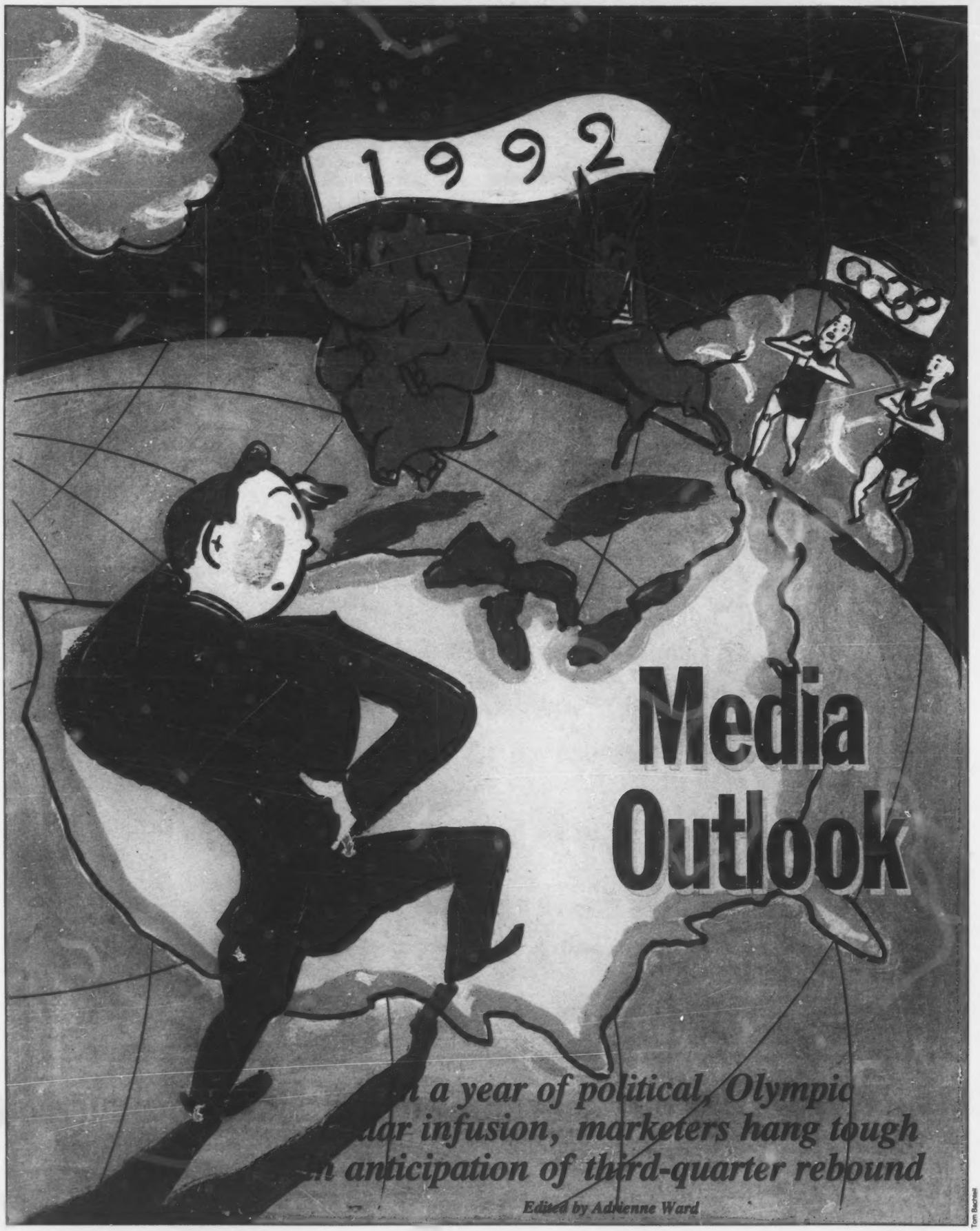
"Last year, we had some problems with the loss of the Trump Casino and FNN accounts," he continued. "But this year, we recently won several new accounts, including the $6 million GTE Mobile account, and had no losses. I know that things will continue to be successful since the management and clients are in place."

Mr. Reiman, the agency's chairman, said he's happy for his partner and optimistic about the future, adding, "The friendship will always be there. Joel had a unique opportunity, which I understand."

"I don't know what it means for Babbit & Reiman's future," said Austin Kelley, ceo of Austin Kelley Advertising, Atlanta. "Since Gaffney has been there, there might be a settling effect on the agency.

"However, maybe the controlled chaos was the secret of their success. Joel and Joey were like ham and eggs, or brothers. The divorce is a surprise."

"I'm shocked. I can't see Joel working for someone else, since he is an entrepreneur," said Jan Pringle, president of Pringle Dixon Pringle. □




# Media Outlook

*...n a year of political, Olympic ...dar infusion, marketers hang tough ...n anticipation of third-quarter rebound*

*Edited by Adrienne Ward*

Tom Bachtell

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# Anticipating the breakthrough

## All eyes on the third quarter for the turnaround, though some call '92 recovery 'puny, punky'

Media executives are wishing they could fast-forward to the third quarter of next year.

Economists and media executives alike are writing off the year's first half, but many are holding out hope that the economy—and ad spending—will turn around by midyear.

Because average media prices for the first quarter of next year were negotiated in the midst of the 1991 recession, the first half is not going to be strong, says Robert Coen, senior VP-director of forecasting for McCann-Erickson Worldwide, New York.

His medium-by-medium predictions of unit cost and cost-per-thousand increases appear throughout this Special Report under the banner "Coen Watch."

But Mr. Coen predicts media price increases likely will make a comeback in the second half of 1992.

An improved economy will prompt a shift in supply and demand, he says, bringing prices up as demand tightens.

Some economists are not quite as sanguine about next year's potential.

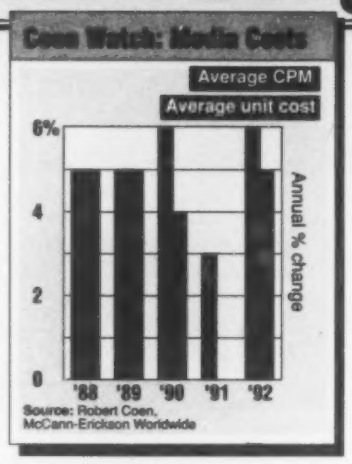
At a recent 1992 forecasting conference held by the Television Bureau of Advertising, Alan Sinai, exec VP-chief economist of Boston Co., predicted 1992 would see an economic recovery, but that it would be "puny, punky, crummy."

In contrast to previous economic recovery years, which saw the U.S. economy grow an average of almost 6.8%, the 1992 recovery will grow only 2%, Mr. Sinai says.

At that same conference, Mr. Coen predicted a more optimistic growth of 6% to 7%. He says 1992 ad spending should rise about two percentage points above that, forecasting an 8% to 9% growth rate in 1992.

"I don't think we even need a robust recovery, just an assurance that it's not getting any worse, and maybe it's getting better," Mr. Coen says.

He believes that by next summer, economic recovery will be visible, and that the Summer Olympic Games and political ad spending will fuel the fires of media price increases. In the fourth quarter, he predicts, price hikes should start to outpace general inflation rates.




Ed Atorino, VP-senior analyst of Salomon Bros., concurs with Mr. Coen's assessment of the economy, saying, "I'm a little cautious short-term, but I think we are going to see some mid-single-digit gain next year with a slope toward the second half and maybe some surprises down the road."

Alan Gottesman, a research analyst with PaineWebber, says should such a surprise in the form of an economic upturn come, it would probably kick in a dramatic uptick in national ad spending.

"It can swing back very fast, because the one thing marketers are afraid of is the competition," he says.

"The turn could come incredibly quickly; I just don't hear any signs of it coming," Mr. Gottesman says.

*—Joe Mandese*

# Potential roar turns into whisper

## Even political, Olympics dollars won't pump up the volume at nets

**By Joe Mandese**

Can a quadrennial year overcome a double dip?

Advertising forecasters contemplating the impact a renewed economic recession would have on 1992 Olympic Games/political TV spending don't think so.

Indeed, for most, it's not merely a question of 1992 being the worst quadrennial TV spending year ever recorded, it's a question of how bad it will get.

If the national economy begins to recover as many expect, forecasters say 1992 TV ad spending will grow slightly over 1991 levels but still will be soft for a quadrennial year.

However, if a secondary recession follows the current one, they say TV ad spending would continue its current slide downward.

Even the normally bullish Television Bureau of Advertising is predicting fairly dour growth for TV ad spending in 1992.

Overall, TvB predicts TV ad revenues will grow 4% to 6% over 1991, with the biggest gains coming from cable TV, up 8% to 10%, and syndication, gaining 7% to 9%.

Network revenues are expected to rise only 4% to 6%, and spot TV and local TV are both expected to grow only 3% to 5%.

While this would signal an improvement over 1991 spending levels, which were down 4.9% through the first six months of the year, it is considerably inauspicious for a quadrennial year.

In the last quadrennial year of 1988, for example, TV ad volume rose 7.5%, according to TvB. That was the first quadrennial year since 1960 that didn't score double-digit increases.

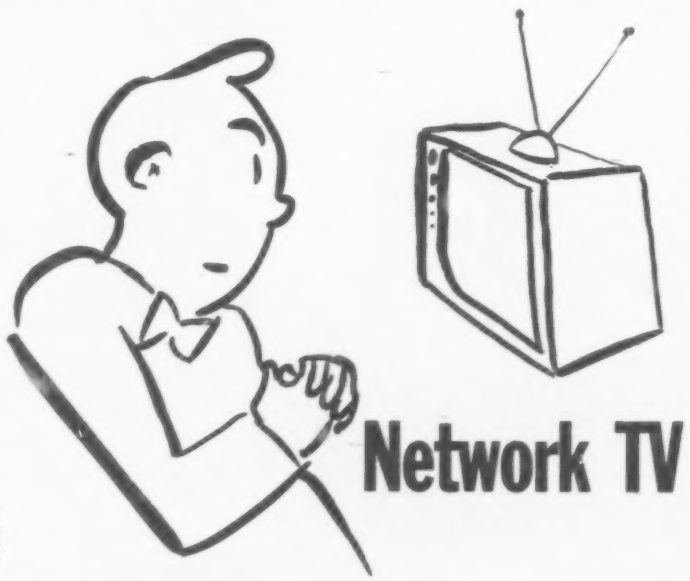
Moreover, 1992 will be the last true quadrennial year. Beginning in 1994, the Winter and Summer Olympics will alternate every two years, creating two moderate biennial Olympics/election years.

As for 1992, agency executives are less optimistic than even the TvB's relatively conservative estimates.

"Everyone is really guessing what the economy in 1992 will be, but we are much more conservative than everybody else," says Steve Farella, exec VP-media director of Young & Rubicam, New York. "We think the advertising business will have very soft growth in the range of 3% to 5%."

Mr. Farella says changes in the national economy are key to any improvement in TV ad spending.

"You can't just look at the media marketplace; you have to look at product sales and how comfortable people are with spending money. There still is not a sense of confidence in the marketplace," he says.




> "We're more conservative than everybody else about the economy in 1992."

Jay Schoenfeld, exec VP-media director of Backer Spielvogel Bates, New York, concurs with that assessment, noting he has recently begun downgrading his agency's media spending estimates for 1992 based on new economic forecasts.

Originally, Backer had been predicting network TV would rise 5.6% to $11.3 billion and spot TV would grow 3.5% to $16.4 billion.

While he has not arrived at a revised number for 1992, Mr. Schoenfeld says, "I'm beginning to think we're a little high based on some of the buys we're seeing. I was more optimistic a few months ago."

Based on early TV ad spending, there is going to be a slow start to 1992. During the 1991-92 upfront buying season early last summer, the upfront pie for prime time shrunk nearly 20% to $3.5 billion.

Moreover, two of the Big 3 networks, CBS and NBC, sold a higher percentage of their annual inventory to attain that level. ABC sold less than it normally does, but all three networks discounted their prime-time prices in the upfront.

"There is an imbedded slow start on the network side of the business, just because of the upfront buying," says John Reidy, managing director and senior analyst at Smith Barney, Harris Upham.

With upfront sales for the 1991-92 season so poor, the networks' 1992 fortunes will depend largely on demand from advertisers for the remaining inventory in the scatter market.

That demand appears questionable. Although it's a quadrennial year, experts say the Big 3 TV networks will get little benefit from campaign spending by presidential candidates.

"In the national election, there is possibly less money available than was available four years ago," says David Garth, political consultant and president of the Garth Group.

He says President Bush's strong lead and the lack of a Democratic front-runner early in the race will lead to lower spending, as well as the fact that there is less matching campaign fund money available from the Federal Elections Commission.

TvB estimates appear to bear that out. Network TV spending by political can-

*(Continued on Page S-8)*

Coen Biotch: Network TV

### Snail's pace

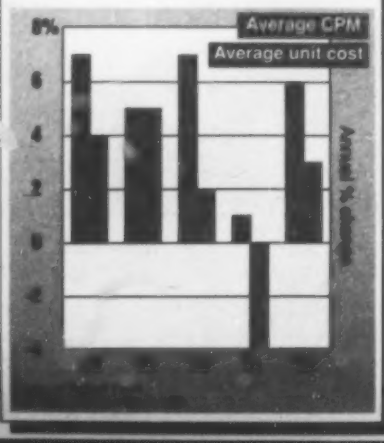
Network price increases will be off to a slow start in 1992, but by yearend, prices should be considerably firmer.

In most upfront agreements negotiated in the midst of the current recession, prices were held in check or in some cases declined. These agreements will help to hold down the average increases through the first three quarters of 1992.

However, the exceptional bargains in scatter buys are likely to disappear as the economy picks up next year.

Network unit costs could rise about 4% with costs-per-thousand up 7%. Prime-time unit prices and CPMs are likely to be up slightly more than total network averages.

*—Robert Coen*



*"Prices are either the same as or higher than upfront rates, which is surprising people. Things are not as soft as people thought.'*

# Net TV

*(Continued from Page S-4)*

didates in 1992 is expected to decline $30 million, down 22% from 1988 figures.

However, TvB predicts a better political spending picture for TV stations. Spot TV spending by political candidates will rise to $200 million, a 6% increase over 1988.

Meanwhile, the networks will not get the boost from Olympics-related spending that they normally get in a quadrennial year, because most Olympic ad funds come out of existing budgets vs. the incremental spending that normally helps tighten the marketplace in quadrennial years.

Industry sources estimate more than 50% of all Olympics ad spending will come out of existing budgets.

Moreover, Olympics advertisers are paying less than what the networks had originally been asking. Last summer CBS began discounting its Olympics rate by as much as 15% and added inventory to early advertisers' packages to compensate them for the difference.

It also has been reported that NBC discounted its Olympics rate.

With as much as 25% of its Olympics inventory remaining, buyers say CBS' strategy for selling the remainder of its time is key to the health of the first quarter of the 1992 network TV marketplace.

"The first quarter to me is the real wild card," says Steve Grubbs, senior VP-national broadcast buying at BBDO Worldwide, New York.

"It depends largely on what CBS does with its Olympics sales to move its remaining inventory," he adds.

"If it decides to go into deep discounting and pull dollars out of the scatter market, things could remain soft in the first quarter," he says.

"If it doesn't do that, then I believe the first quarter will be a little tighter."

However, Mr. Grubbs believes market conditions already are improving, and he predicts the second and third quarters will be "premium priced.

"If the economy turns around just a little bit, you could see some pretty significant premiums in those quarters," Mr. Grubbs says.

There already are encouraging signs, he adds, noting that fourth-quarter network budgets are beginning to "trickle in" from clients.

As recently as late September, some buyers were saying the fourth-quarter network TV marketplace appeared to be nudging out of its yearlong recession, with prime-time scatter prices rising over upfront for the first time since the fourth quarter of 1990.

"Prices are either the same as or higher than upfront rates, which is surprising people," says McCann-Erickson Worldwide Exec VP-Director of National Broadcast Joel Segal.

However, Mr. Segal says it is too early to tell if the demand will continue.

" 'Tightening' would be too strong a word, but things are not as soft as people thought they would be," he says.

"Prices are edging over the upfront," says Larry Hoffner, exec VP-network sales of NBC. "It's nothing significant, but we're in the month of September, which has always been a problem month, even in the best of years."

However, Mr. Hoffner is projecting healthier gains in October, November and December.

"I don't know that we'll ever see an acceleration, where pricing will jump by 30%," he says. "I think we're looking at a gradual, but steady, growth in the market."

But George Hayes, senior VP-director of McCann's Comcord Group and media director for its Nestle USA account, says even a slight improvement may be enough to loosen ad budgets.

"There are some indications that things are getting better. But a lot of this is psychological, so even a little trickle will fuel some optimism. And that will affect how people release budgets and spend their money," he says. □

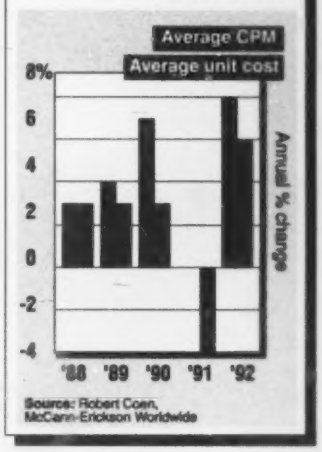
## Looking for a turnaround

The litany of bad news was no friend to spot TV in 1991. The recession, weak retail business, lack of political activity and the absence of product introductions reduced spot ad demand and prices.

As the economy improves in 1992, spot TV ad demand should turn around and prices should gradually firm up.

Overall spot TV rates are expected to be up 5% to 7% in most markets. Costs per thousand also will go up as audience shares per TV station become more diluted.

*—Robert Coen*

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**"American industry doesn't seem to be buying the bit a new campaign will be good for business in general; there's still a lot of caution."**

Jerry Dominus
J. Walter Thompson Co., New York

**"The impact [of the Olympics and presidental election] is simply how they are felt in the equation of supply and demand."**

George Mahrlig
Campbell Soup Co.

**"Once '92 begins, I think the momentum will really carry through and it will be at a much faster pace; we will see the results much faster."**

Peter Chrisanthopoulos
Network Television Association

# SPEAKING WITH AUTHORITY

## Traditional quadrennial boom more of a 'blip' this time

**Jerry Dominus, senior VP-director of national TV & programming, J. Walter Thompson Co., New York**

"I don't think we're going to see a bump [in advertising]. I think we'll see a modest blip.

"Presidential elections, particularly this one, which is likely to be a 'semi-foregone' conclusion, generally don't pump a lot of money into the medium.

"American industry doesn't seem to be buying the bit [that] a new campaign will be good for business in general. There's still a lot of caution out there.

"Much of the Olympics spending will be a cannibalization of money that would otherwise have been spent in business-as-usual efforts. There aren't any significant one-time-only appropriations coming to build up [ad] coffers.

"I don't think it will be back to business-as-usual, the traditional four-year boom. Not this time."

**George Mahrlig, director of media services, Campbell Soup Co., Camden, N.J.**

"The [Olympics and presidental election] will have some impact; it's a question of degree. Their impact is simply how they are felt in the equation of supply and demand.

"In the past, going back two or three Olympics, the major sponsors had separate budgets, incremental funds that they used, so their media budgets went up those years to participate in the Olympics. But the number of advertisers with incremental budgets has declined.

"More and more of the Olympic spending is being taken from that quarter's national television budget. This year it's interesting that the networks have still not sold out the Olympics.

"It would appear the amount of incremental dollars are at their lowest. And the base from which they're working on a supply side, there's somewhat more supply because the market's not been as strong.

"The national elections are always incremental dollars because [politicians] don't advertise otherwise. So that will have an impact, but here again the degree of impact is dependent upon where the supply side is starting from. In an already tight market it will have an exaggerated effect.

"It can take a soft market and tighten it up considerably. So as the market begins to recover somewhat in the second and third quarters, when election commercials begin to go on the air, it could either represent the recovery or tighten up the market significantly."

**Peter Chrisanthopoulos, president, Network Television Association, New York**

"1992 has several forces working for it. First of all, the recession will be completely over in 1992.

"Second, the effects of the war on slowing business decisions will be way behind us.

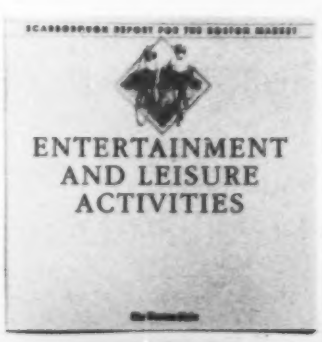
"Third, the Olympic and election years both tend to boost spending on network TV overall.

"And it's also the 500th anniversary of Columbus' discovering America and that is yet another promotion, another opportunity that clients will focus on and take advantage of and also boost spending in media.

"Once it begins, I think the momentum will really carry through and it will be at a much faster pace; we will see the results much faster. Advertisers were cautious in 1991 and we forecast they will be more aggressive in their expenditures in 1992."

*—Laurie Freeman*


THE ONLY TIME THE BOSTON GLOBE WILL REVEAL ITS SOURCES.



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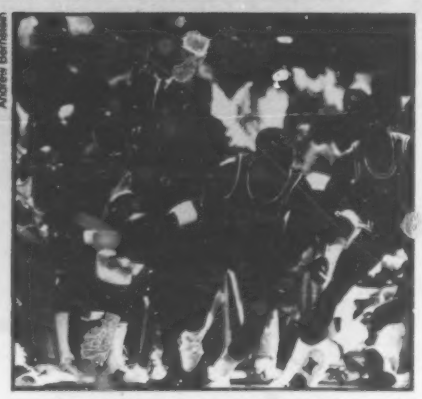
*1990 Scarborough Report on the Boston Market.

Andrew Semel

Heavy cast publicity is putting the public stamp of approval on "Beverly Hills 90210."


Andrew Bernstein

The NBA is looking like an ad-time sellout, one of the few success stories in sports business.

Ron Tom

Viewers are reacting to "Homefront" like it's the wrong war at the wrong time.

Chris Haston

"The Adventures of Mark & Brian" sends a fuzzy signal to Saatchi & Saatchi.

## Network TV: *Hot*

**On the rebound:** With a strong prime-time ratings gain last season and an impressive start to this season, CBS is the network on the come. The network's baseball playoffs, World Series, Winter Olympics and Super Bowl give agency executives reason to expect CBS' upward momentum to continue. A new "advertiser-friendly" and pragmatic sales strategy has agency media buyers feeling high about the network, too.

**Executive strength:** CBS Entertainment President Jeff Sagansky and Senior VP-Program Planning Peter Tortorici appear to be engineering the greatest prime-time comeback story since NBC shifted from third to first place in the mid-1980s. A former NBC Entertainment executive during that period, Mr. Sagansky now is working that magic for CBS.

**Royal treatment:** Based on the proven track record of series star Redd Foxx, agency executives predict CBS' "Royal Family" will be a success.

**Hospitality:** Some agency executives predict NBC's "Nurses," a comedy about five hospital nurses, will be the biggest hit of any new series this season. The show debuted to high ratings.

**Teen torpor:** Billed by agency executives as "teensomething," Fox's "Beverly Hills 90210" drama about teen-age angst features plenty of emerging heartthrobs and heartthrobettes. A heavy summer promotional effort by Fox's publicity team landed the cast on seemingly every consumer magazine cover, as well as much of the TV talk-show circuit.

**Hoop heaven:** With bigger-than-life personalities like Michael Jordan, Magic Johnson, Larry Bird and Isiah Thomas, the National Basketball Association has emerged as one of the few success stories in network sports programming. Audience ratings are healthy and agency executives expect ad units to sell out for this season's coverage.

**Love in the afternoon:** After five years of downward momentum, daytime sales have skyrocketed during the 1991-92 upfront and scatter markets. While daytime ratings declined 6% last season, daytime has become one of the most efficient ways of reaching viewers. Daytime CPMs currently average about $3.50 vs. about $8.50 for prime time.

**Network clutter—a heated issue:** A recent joint study from the American Association of Advertising Agencies and the Association of National Advertisers demonstrates the networks continue to add commercial and other forms of non-programming time to their schedules in all dayparts. The ad industry has adopted the view that such expansion violates ad contracts, which are negotiated based on an assumption of commercial loads and a minimum length of program time.

**Top of mind:** The financial interest and syndication rules, which limit the Big 3 TV networks' ability to own and sell TV shows, are being challenged on all sides. The FCC is expected to reconsider its position soon, but the issue ultimately is expected to end up in court.

## Network TV: *Cold*

**Downwardly mobile network:** With a 13% prime-time ratings loss last season and mixed results early this season, NBC's prime-time fortunes appear to have reversed themselves. Though the network still has some of the most coveted shows on prime time, many of those series are aging, and agency executives question whether the new shows will click with viewers. NBC also has taken big losses in daytime, early morning, Saturday morning and late night.

**No one's home:** Who would have thought a TV series about the assimilation of World War II veterans and their families in a Midwestern city during the 1940s would appeal to post-Persian Gulf War TV audiences of the 1990s? Not ad agency media executives. Despite a strong lead-in from ABC's hit "Coach," "Homefront" got low audience share projections from agency forecasters.

**Post script:** A new season report from McCann-Erickson describes CBS' "P.S. I Luv U" as "ordinary." The report also predicts the series has "dim prospects" for success. The show is about a New York cop and a government informant who pose as husband and wife in the witness protection program.

**NBC tune out:** "Will anyone who doesn't know who Mark and Brian are tune in to find how funny they can be?" asks Saatchi & Saatchi in its new season report. Apparently not. The agency described its chances as somewhere between a "maybe" and a "long shot."

**Ultimately a flop:** Fox's action/reality series "The Ultimate Challenge" may be aptly named. Predicts McCann-Erickson: "This show's appeal will be primarily men and boys who like watching bungee jumping off the Empire State Building, paraponting or, most enlightening of all, monster truck tractor pulling."

**Strike three:** Although World Series ratings rose 27% last fall, audience levels for the Major League Baseball playoffs fell 7%. With small-market baseball teams playing in this fall's games, agency executives predict MLB ratings may suffer, as well as CBS' sales efforts.

**Too late:** After several years of rapidly escalating demand, late night has gotten too expensive for many advertisers. At an average CPM of about $6.50, late night's expense is second only to prime time and some sports. Maybe Johnny chose the right time to leave.

**15-second spots:** Although clutter is on the rise, it's not coming from more short-form commercials. While :15s rose as a percentage of total commercial volume throughout the 1980s, they began to wane in 1991.

**Cooling off:** The prime-time access rule, which requires network affiliates to air non-network programming in the time period preceding prime time, is no longer considered a front-burner issue. Instead, the Big 3 networks currently are talking about the possibility of reducing their prime-time hours, not expanding them.

## Network TV spenders cut back...

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | General Motors Corp. | $267,084.0 | $268,841.1 | -0.7% |
| 2. | Philip Morris Cos. | 238,151.2 | 229,160.7 | 3.9 |
| 3. | Procter & Gamble Co. | 222,797.5 | 277,115.1 | -19.6 |
| 4. | PepsiCo | 131,936.3 | 111,862.9 | 17.9 |
| 5. | Kellogg Co. | 117,419.5 | 163,495.7 | -28.2 |
| 6. | Johnson & Johnson | 114,233.6 | 100,335.9 | 13.9 |
| 7. | Ford Motor Co. | 107,954.1 | 109,471.4 | -1.4 |
| 8. | Sears, Roebuck & Co. | 93,655.1 | 145,870.0 | -35.8 |
| 9. | Unilever NV | 92,627.7 | 113,991.8 | -18.7 |
| 10. | McDonald's Corp. | 89,366.3 | 124,100.7 | -28.0 |

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Kellogg's cereals | $96,[illegible].8 | $143,998.0 | -33.1% |
| 2. | McDonald's restaurants | 89,366.3 | 124,100.7 | -28.0 |
| 3. | AT&T Co. | 85,037.9 | 111,626.1 | -23.8 |
| 4. | Miller beer | 67,628.6 | 49,294.0 | 37.2 |
| 5. | Ford passenger cars | 63,511.6 | 53,187.5 | 19.4 |
| 6. | General Motors cars | 46,800.1 | 38,922.3 | 20.2 |
| 7. | MCI Communications Corp. | 45,438.3 | 16,614.7 | 173.5 |
| 8. | Budweiser beer | 42,354.5 | 41,432.6 | 2.2 |
| 9. | Burger King restaurants | 37,276.7 | 62,689.3 | -40.5 |
| 10. | Toyota cars | 37,233.0 | 35,086.0 | 6.1 |

## ...but don't hit spot TV as hard

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | PepsiCo | $137,249.3 | $141,890.1 | -3.3% |
| 2. | Philip Morris Cos. | 129,158.0 | 128,603.9 | 0.4 |
| 3. | Procter & Gamble Co. | 108,324.0 | 131,806.2 | -17.1 |
| 4. | General Mills | 90,466.0 | 84,983.5 | 6.5 |
| 5. | McDonald's Corp. | 74,305.4 | 69,888.9 | 6.3 |
| 6. | Toyota Motor Corp. | 57,544.8 | 47,535.3 | 21.1 |
| 7. | Nissan Motor Co. | 50,597.6 | 43,792.3 | 15.5 |
| 8. | General Motors Corp. | 50,509.7 | 55,846.9 | -9.6 |
| 9. | Unilever NV | 47,414.7 | 29,917.9 | 58.5 |
| 10. | Anheuser-Busch Cos. | 46,002.1 | 43,961.7 | 4.6 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | McDonald's restaurants | $74,305.4 | $69,888.9 | 6.3% |
| 2. | Toyota cars | 36,474.1 | 28,232.1 | 29.2 |
| 3. | Nissan cars | 36,034.7 | 28,659.2 | 25.7 |
| 4. | Taco Bell restaurants | 32,886.6 | 36,891.3 | -10.9 |
| 5. | Kellogg's cereals | 31,594.9 | 16,409.7 | 92.5 |
| 6. | Pizza Hut restaurants | 30,953.0 | 29,965.6 | 3.3 |
| 7. | Miller beer | 25,555.5 | 17,545.3 | 45.7 |
| 8. | Budweiser beer | 22,264.0 | 19,174.8 | 16.1 |
| 9. | Hardee's restaurants | 21,426.4 | 18,354.3 | 16.7 |
| 10. | Wendy's restaurants | 21,394.1 | 20,656.4 | 3.6 |

Source: LNA/Arbitron Multi-Media Service  Note: Trade names include all products/services of the same name in an LNA subclassification.

The MTV logo is proving to be a popular label in cross-media deals.

## Cable TV: *Hot*

**Tailor made:** Cable networks are investing more dollars on producing original programming, resulting in higher-quality shows, series, specials and movies. Some of the noteworthy include: Discovery Channel's "People of the Forest: The Chimps of Gombe," Arts & Entertainment Network's "First Flights" and USA Network's "USA's Gonzo Games."

**Crossing the line:** Cable networks have entered into the cross-media arena in a big way. Leading the pack are Cable News Network, which has joined forces with *USA Today*; MTV and *Newsweek*; and USA Network and its partnership with *McCall's*.

**All for one!** Programming and production partnerships between cable and broadcast networks are increasing. Two recent examples: NBC aired a show called "Hi, Honey, I'm Home" produced by Nick at Nite. CBS and USA Network again shared coverage of the U.S. Open Tennis Tournament.

**Hitting the target:** Narrowly targeted networks such as Lifetime, Discovery and Family Channel should fare best as marketers look to pinpoint potential audiences.

**High-tech talk:** Technology such as video compression that will allow for increased channel capacity is a hot topic, but it's far from becoming reality.

**Capitol issue:** Cable reregulation issues will heat up again in 1992 as broadcast networks increase lobbying efforts against cable.

**Rave reviews:** CNN proved to be a major force in TV news with acclaimed coverage of the Persian Gulf War. Ratings soared during CNN's war coverage and again during the attempted coup in the Soviet Union.

## Cable TV: *Cold*

**Despite the war:** CNN failed to convert its ratings blips during the Persian Gulf War and Soviet coup into permanent increases. Buyers say it lost a golden opportunity to build on its momentum.

**Striking out:** ESPN continues to lose a bundle on big-name sporting events for which the network paid big bucks.

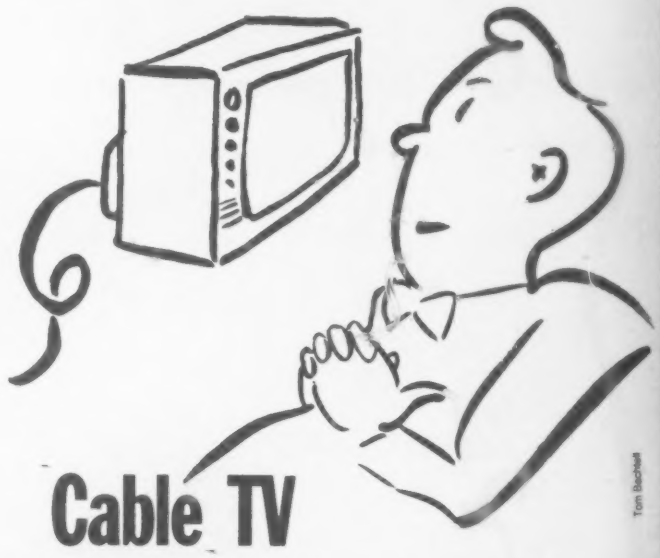
**Double trouble:** Double-digit cost-per-thousand increases are history, at least for a while, say buyers and cable executives who cite a "marketplace correction" in CPM gains.

The national pastime is putting a strain on the bottom line for ESPN.

# Right place, right time

## But days of 20% are gone, requiring some adjustments

By Alison Fahey




Unlike most other media executives, cable leaders are optimistic for 1992.

The cable TV industry is going to experience strong growth in 1992, but at a slower pace than in past years, insiders predict.

After becoming accustomed to years of record-breaking ad revenue increases, which in some years exploded by 20%, cable networks in 1991 got a dose of reality as recession-wary marketers played it close to the vest.

At the same time, the embattled broadcast networks wooed advertisers with steep discounts on costs per thousand, particularly during the upfront selling season.

Looking ahead to 1992, cable sales executives are guardedly optimistic about ad revenue growth, mostly because an economic turnaround isn't expected until midyear.

"In general, I don't think anyone is projecting the growth rate in national ad spending for 1992 that there was in 1991 or 1990. There's a more cautious approach," says Joe Uva, exec VP-CNN Sales.

"Ad spending [recovery] lags economic recovery somewhat, but I do believe the market will be stronger throughout 1992 than it is in the second half of 1991," he says.

Overall, Mr. Uva predicts a "fairly strong" 1992 for the cable industry.

More cautious is John Silvestri, exec VP, USA Network. "I think 1992 will be a little better than 1991—not much," he says.

Still, cable networks should reap double-digit ad revenue growth, again outpacing their broadcast counterparts.

"Cable is still very well positioned for growth," says Erica Gruen, associate director of new media and TV information, Saatchi & Saatchi Advertising, New York, who notes that narrowly targeted cable networks probably will fare best.

"It will continue to benefit from the fact that it's still a cost-efficient medium and also because advertisers' dollars tend to flow where the audience is, and cable viewership and penetration continue to grow."

Mr. Silvestri predicts cable ad spending in 1992 will grow about 10% to 12%, compared with 12% to 14% gains projected for 1991.

"The cable industry is going to continue to grow significantly faster than the rest of the TV industry," predicts Bill McGowan, senior VP-ad sales, Discovery Channel.

The Television Bureau of Advertising, in a September report forecasting 1992 TV revenue gains, put cable at the top of the list, growing 8% to 10%.

That compares with 3% to 5% revenue gains for both local and spot TV; 4% to 6% increases for network TV; and 7% to 9% hikes for syndicated TV.

Overall, cable revenues will outpace total TV revenues, which TvB predicts to grow 4% to 6%.

Cabletelevision Advertising Bureau is even more optimistic about the industry's 1992 outlook, even though its forecast shows a slowdown in growth.

It predicts total cable ad revenues will rise 17% to about $3.6 billion in 1992. In 1991, CAB projects total ad revenues will grow 19.1% to $3 billion.

John Barbera, president of Turner Broadcasting Sales, says Turner is looking for 11% ad revenue growth for the industry in 1992, compared with 13% for 1991.

"The total advertising industry won't be growing as fast as last

*(Continued on Page S-20)*

# Cable spending by brands, companies plugs along

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Procter & Gamble Co. | $29,432.9 | $25,546.7 | 15.2% |
| 2. | Time Warner | 19,608.6 | 25,682.8 | -23.7 |
| 3. | General Motors Corp. | 14,933.4 | 10,062.8 | 48.4 |
| 4. | Philip Morris Cos. | 14,463.7 | 14,249.4 | 1.5 |
| 5. | General Mills | 14,445.9 | 12,305.7 | 17.4 |
| 6. | Anheuser-Busch Cos. | 13,102.9 | 11,945.5 | 9.7 |
| 7. | RJR Nabisco | 11,662.2 | 12,115.3 | -3.7 |
| 8. | Sears, Roebuck & Co. | 11,322.9 | 9,905.9 | 14.3 |
| 9. | PepsiCo | 9,745.6 | 5,971.7 | 63.2 |
| 10. | Mars | 9,019.1 | 6,338.5 | 42.3 |
| 11. | Eastman Kodak Co. | 8,992.5 | 6,418.1 | 40.1 |
| 12. | Ford Motor Co. | 8,268.0 | 4,146.9 | 99.4 |
| 13. | AT&T Co. | 8,162.7 | 5,928.6 | 37.7 |
| 14. | American Home Products Corp. | 8,115.5 | 4,621.2 | 75.6 |
| 15. | McDonald's Corp. | 7,152.8 | 4,481.5 | 59.6 |
| 16. | Wm. Wrigley Jr. Co. | 6,263.1 | 4,556.2 | 37.5 |
| 17. | Nestle SA | 6,083.5 | 5,740.1 | 6.0 |
| 18. | Grand Metropolitan | 5,834.8 | 4,258.7 | 37.0 |
| 19. | Ralston Purina Co. | 4,914.8 | 3,045.1 | 61.4 |
| 20. | Coca-Cola Co. | 4,909.6 | 1,568.5 | 213.0 |
| 21. | Chrysler Corp. | 4,869.1 | 4,611.0 | 5.6 |
| 22. | Unilever NV | 4,843.8 | 3,672.1 | 31.9 |
| 23. | Johnson & Johnson | 4,613.4 | 3,075.1 | 50.5 |
| 24. | Kellogg Co. | 4,665.2 | 1,510.7 | 208.8 |
| 25. | Levi Strauss & Co. | 4,495.6 | 4,701.9 | -4.4 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Budweiser beer | $10,533.7 | $7,440.1 | 41.6% |
| 2. | AT&T Co. | 8,090.6 | 5,443.7 | 48.6 |
| 3. | McDonald's restaurants | 7,152.8 | 4,481.5 | 59.6 |
| 4. | Wrigley's gums | 6,173.6 | 4,484.2 | 37.7 |
| 5. | Ford cars | 5,784.8 | 1,762.7 | 228.2 |
| 6. | "Sports Illustrated" magazine | 4,724.0 | 5,365.6 | -12.0 |
| 7. | Levi's sportswear | 4,495.6 | 4,701.9 | -4.4 |
| 8. | Nabisco cookies & crackers | 3,995.6 | 4,175.2 | -4.3 |
| 9. | Burger King restaurants | 3,697.2 | 2,679.7 | 38.0 |
| 10. | MCI Communications Corp. | 3,491.9 | 1,210.4 | 188.5 |
| 11. | Kellogg's cereals | 3,212.7 | 877.6 | 266.1 |
| 12. | Upjohn Co. general promotion | 3,167.9 | 336.2 | 842.3 |
| 13. | Time-Life books | 3,136.3 | 4,708.6 | -33.4 |
| 14. | Troy-Bilt lawn & garden equipment | 3,041.1 | 1,711.5 | 77.7 |
| 15. | Sears, Roebuck & Co. household | 2,911.2 | 2,790.8 | 4.3 |
| 16. | Nintendo games | 2,840.0 | 1,027.0 | 176.5 |
| 17. | Miracle-Ear hearing aid center | 2,839.3 | 751.3 | 277.9 |
| 18. | "Wall Street Journal" | 2,826.0 | 2,495.1 | 13.3 |
| 19. | Audio Communications phone services | 2,770.3 | 271.5 | 920.4 |
| 20. | Time-Life records & tapes | 2,742.4 | 2,292.8 | 19.6 |
| 21. | Volkswagen cars | 2,698.9 | 2,053.6 | 31.4 |
| 22. | American Express credit card services | 2,681.1 | 1,688.6 | 58.8 |
| 23. | Pizza Hut restaurants | 2,671.4 | 1,824.8 | 46.4 |
| 24. | Time-Life video | 2,659.4 | 3,597.5 | -26.1 |
| 25. | Sterling cars | 2,612.8 | – | NA |

Source: LNA/Arbitron Multi-Media Service  Note: Trade names include all products/services of the same name in an LNA subclassification

# SPEAKING WITH AUTHORITY

## Too much inventory to make much of a dent

P. Isacsson

D. McCormick

**Paul Isacsson, exec VP-director of broadcast programming and purchasing, Young & Rubicam, New York**

"I can't recall, since I've been in the business, an Olympics-election year where we haven't had a strong national economy, which generally leads to a strong television economy.

"But I think [the quadrennial year] will not be as impactful as it has been in the past, because since 1988, there's a lot more inventory out there.

"In terms of the Olympics, clients are able to plan better to avoid being caught in the higher-priced periods.

"I do think the national TV market will be stronger; we're starting to see some money come into the market now for fourth-quarter.

"But I don't think the Olympics will have much impact on cable advertising network sales; we're looking at only a 5% to 6% increase next year.

"Cable might benefit from coverage of the presidential election because the conventions or primaries might not be on to any great extent [on network TV].

"This year you may see a continued shift in cable covering things like the national elections, which require a great deal of airtime. I know CNN has plans to do a half-hour a night on the election process starting in January.

"Local candidates may be able to target better, spend their dollars more efficiently on cable, because they can buy a ward or an individual borough.

"There could be a shift in how local political advertising money is spent."

**Doug McCormick, exec VP, Lifetime Television, Astoria, N.Y.**

"Some of the dollars that went into [previous] Olympics are under a lot more scrutiny now.

"There's probably pressure on the networks to go ahead and attack normal advertising dollars to fill up the Olympics.

"To the extent that that contributed to a less-than-robust sports package, I think the economy took some normal upfront dollars and put them into the Olympics.

"In this environment, dollars were put into the Olympics on a guaranteed basis. And to the extent that the Olympics are guaranteed that puts pressure on the networks doing the guarantees, and it will serve to tighten up the marketplace.

"If the Olympics underdeliver, future time periods will not be available for sale. We have seen some advertisers that are sponsors of the Olympics craft certain specialty packages that herald their participation in the Olympics.

"They've taken those messages beyond the individual networks that carry Olympics. An investment in the Olympic rings is no small commitment, so you want to make sure you're letting people know as many times as possible that you're a supporter of the Olympics.

"If this election stays the way it is, I don't expect there to be as much of an uptick than if it was a contested race.

"Those budgets have a habit of materializing at the last minute. If one were to draw the curve right now, yes there would be an uptick but not the kind of uptick if there were a slugfest. It's more like a lackluster Super Bowl right now.

"There is a fair amount of money that comes in from [political action committees] and to the extent that women's rights and women's issues are important in elections, I think you'll see that category heat up.

Local advertising on a system-by-system basis has been one of the most effective means for political advertisers. They love cable because they can go right into their districts.

"If I'm a local cable seller with a hotly contested race, I'm going to reap a bonanza in the upcoming race."

**Jim Desrosier, VP-advertising, MasterCard International, New York**

"From our standpoint, if you're a major TV advertiser, you can't be on the tube and just depend on the networks. You have to be in cable.

"If you anticipate the need for that in your plans, as we have, you're going to buy that anyway. [The elections and Olympics] are not going to change your demand for it.

"What it may do is force you to go upfront rather than buying scatter. It's the only way to make sure you have the priority in programming and networks you want.

"It's possible that for those people who are trying to go scatter, that if the Democrats get their act together on a fund-raising level, if the Republicans decide they have to spend heavily to establish credibility on the domestic agenda, you may see some increase in demand on quarterly pricing basis for scatter.

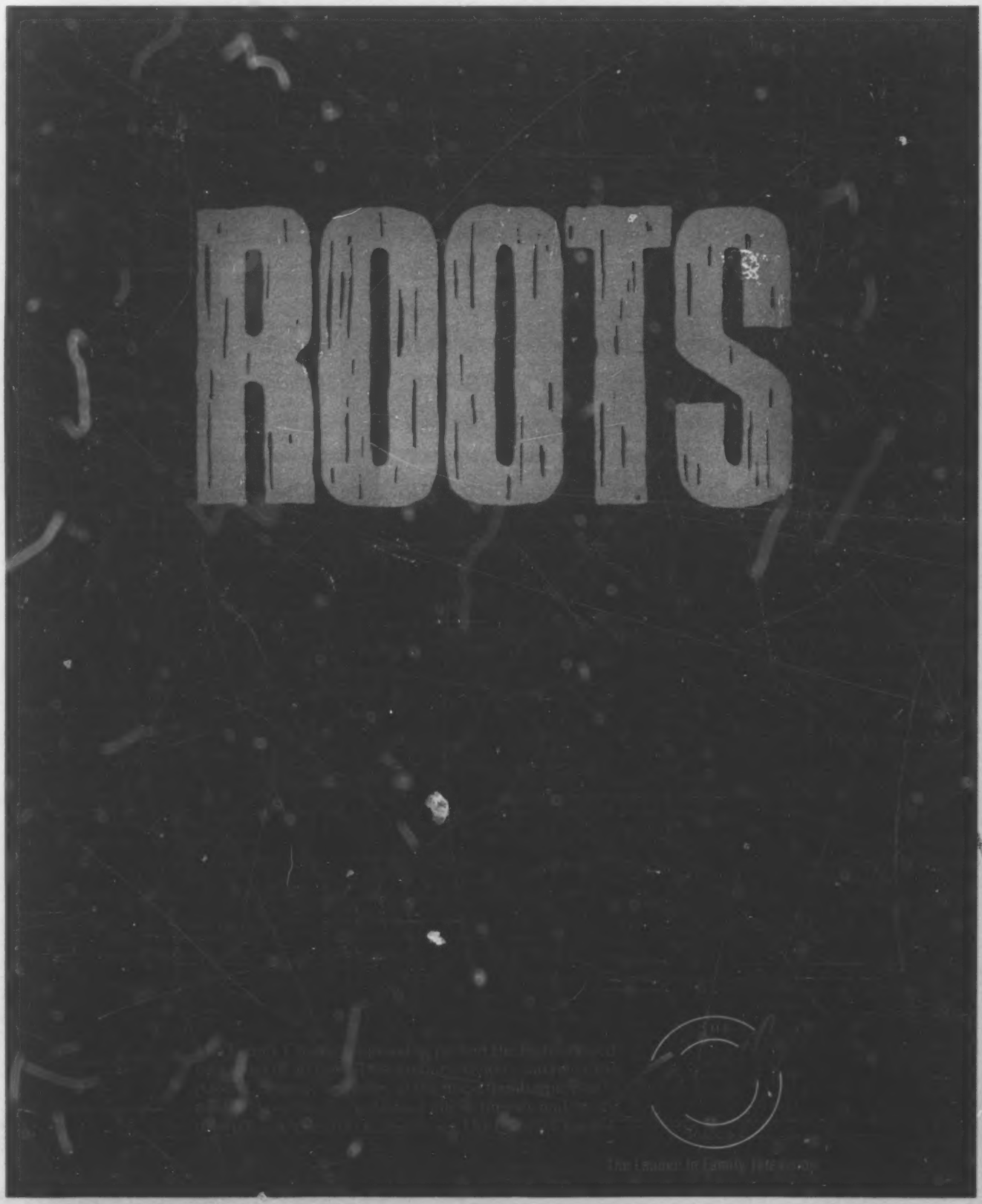
"And [that increase in spending will likely go to] the top six networks like USA, CNN and A&E and Turner, those networks that have fairly well-defined audiences with a high composition of people in a position to influence an election.

"There may be no impact, not until the second half of the year. Then there may be tighter inventory.

"But you'd have to see some heat come on and I haven't seen anything yet.

"The Olympics, I just don't see it. The networks are having trouble selling off the inventory, so right now I don't see any impact on cable."

*—Laurie Freeman*



Magazines

# Flat, but at least crisis is averted

## 'People on the ad side have gotten used to getting by with less'

By Scott Donaton

With apologies to Yogi Berra, it will be deja vu all over again for the magazine industry in 1992.

Publishers and media buyers say it would be hard for the ad climate to deteriorate any further in 1992, but they're not expecting a strong recovery, either.

Most predicted a weak first half, a stronger second half and a flat finish for the year compared with 1991.

Ad pages for this year will likely be down 10% or more compared with 1990 figures, which were down 3.7% from 1989.

"My sense is more of the same, unfortunately," says James Berrien, senior VP-group publisher, American Express Publishing Corp. "There aren't going to be any big reasons for people to spend a lot more. I think people on the advertising side have gotten used to getting by with less."

But, he adds, "I don't see that it could possibly be worse."

"If magazines can finish 1992 even, I think they're in good shape," says Roberta Garfinkle, VP-director of print media for McCann-Erickson Worldwide, New York. "They're just going to have to fight harder to maintain their share."

Industry observers say they expect to see continued consolidation as more marginal properties are folded or sold.

"We're probably going to see the demise of some additional small titles and small publishing companies, simply because they're not going to be able to compete in the merchandising and value-added arenas," says Ms. Garfinkle.

"I'm still waiting for one of the big ones to fall," says Jack Kliger, publisher of Conde Nast Publica-

*(Continued on Page S-22)*

## GM, foreign automakers fuel magazine growth

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | General Motors Corp. | $116,514.0 | $76,648.6 | 52.0% |
| 2. | Philip Morris Cos. | 107,660.2 | 134,665.8 | -20.1 |
| 3. | Ford Motor Co. | 69,960.3 | 77,848.9 | -10.1 |
| 4. | Procter & Gamble Co. | 68,503.6 | 72,484.4 | -5.5 |
| 5. | Chrysler Corp. | 53,638.3 | 54,717.5 | -2.0 |
| 6. | Toyota Motor Corp. | 51,101.8 | 37,390.6 | 36.7 |
| 7. | Unilever NV | 44,785.8 | 47,743.3 | -6.2 |
| 8. | Nestle SA | 43,531.8 | 34,595.0 | 25.8 |
| 9. | Honda Motor Co. | 36,324.9 | 29,037.8 | 25.1 |
| 10. | Grand Metropolitan | 35,811.1 | 37,278.4 | -3.9 |
| 11. | RJR Nabisco | 34,892.3 | 37,076.9 | -5.9 |
| 12. | Time Warner | 34,792.8 | 37,220.9 | -6.5 |
| 13. | American Brands | 26,287.5 | 34,762.5 | -24.4 |
| 14. | Johnson & Johnson | 24,101.3 | 14,868.9 | 62.1 |
| 15. | Sony Corp. | 21,962.4 | 23,314.3 | -5.8 |
| 16. | Bradford Exchange | 21,079.2 | 11,584.9 | 82.0 |
| 17. | Allied-Lyons PLC | 19,843.5 | 16,321.1 | 21.8 |
| 18. | Revlon Group | 19,811.5 | 30,504.7 | -35.1 |
| 19. | Estee Lauder Inc. | 19,650.1 | 15,498.4 | 26.8 |
| 20. | American Protection Industries | 18,134.9 | 13,217.8 | 37.2 |
| 21. | Eastman Kodak Co. | 17,333.4 | 21,668.4 | -20.0 |
| 22. | Walt Disney Co. | 16,574.0 | 11,951.2 | 38.7 |
| 23. | Capital Cities/ABC | 16,219.4 | 20,904.4 | -22.4 |
| 24. | General Electric Co. | 16,092.4 | 17,014.7 | -5.4 |
| 25. | Nike | 15,674.8 | 11,681.8 | 34.2 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Ford cars | $34,284.8 | $36,483.7 | -6.0% |
| 2. | Chevrolet cars | 28,733.4 | 16,556.9 | 73.5 |
| 3. | Marlboro cigarettes | 24,649.3 | 27,700.5 | -11.0 |
| 4. | Toyota cars | 21,655.4 | 13,809.7 | 56.8 |
| 5. | Honda cars | 18,384.5 | 17,710.8 | 3.8 |
| 6. | Chrysler cars | 16,437.1 | 22,856.5 | -28.1 |
| 7. | Buick cars | 16,267.0 | 11,813.9 | 37.7 |
| 8. | Franklin Mint | 16,198.4 | 11,799.0 | 37.3 |
| 9. | Acura cars | 16,162.0 | 8,952.3 | 80.5 |
| 10. | Chevrolet light trucks | 15,626.4 | 7,776.4 | 100.9 |
| 11. | Lexus cars | 14,285.5 | 12,251.9 | 16.6 |
| 12. | Ford trucks & vans | 12,224.4 | 17,507.7 | -30.2 |
| 13. | CBS TV | 11,870.5 | 17,038.7 | -30.3 |
| 14. | Bradford Exchange collectibles | 11,775.4 | 6,170.7 | 90.8 |
| 15. | Toyota trucks & vans | 11,630.7 | 8,077.1 | 44.0 |
| 16. | Virginia Slims cigarettes | 11,529.6 | 13,131.6 | -12.2 |
| 17. | Mercury cars | 11,382.8 | 6,067.5 | 87.6 |
| 18. | Walt Disney World resort | 11,180.4 | 7,011.7 | 59.5 |
| 19. | ABC TV | 10,813.2 | 14,910.9 | -27.5 |
| 20. | NBC TV | 10,732.1 | 11,310.7 | -5.1 |
| 21. | Microsoft software | 10,379.5 | 3,107.0 | 234.1 |
| 22. | Dodge trucks & vans | 9,879.3 | 3,739.5 | 164.2 |
| 23. | Nike sporting footwear | 9,837.9 | 7,574.4 | 29.9 |
| 24. | Saturn Corp. general promotion | 9,628.1 | – | NA |
| 25. | Columbia record & tape clubs | 9,593.1 | 9,614.5 | -0.2 |

Source: LNA/Arbitron Multi-Media Service  Note: Trade names include all products/services of the same name in an LNA subclassification

If You Think You're Buying Fairfield County When You Buy Stamford ... Think Again.

No other newspaper reaches as many of Fairfield County's affluent readers as The Bridgeport Post. And now with Post Plus, our alternate delivery program, one buy reaches both subscribers and non-subscribers.

Contact National Ad Manager Paul Ward at (203)-330-6303 to reach almost 200,000 households with 60% more disposable income than the national average.

Source: SMRB's Survey of Buying Power (1991)

Fairfield County's Information Source

## Cable TV

*(Continued from Page S-18)*

year," he says.

Most cable sales executives are counting on the second half of 1992 to salvage the year's spending levels.

"I think the whole year will be slightly better than 1991, starting with the second quarter," says Angela Pumo, senior VP, NBC Cable Sales.

"With the economy getting stronger, maybe advertisers will start reinvesting. There'll be more dollars coming into the marketplace."

Some expect incremental dollars from Olympic Games and election spending, although not as much as in past quadrennial years.

"As far as election and Olympics and their impact on next year's advertising investments, I think the Olympic and election years always bring more dollars into the marketplace because they are two important programming franchises," says Mr. Uva.

In terms of costs per thousand for 1992, most cable sales executives hope to leave the flat to slightly higher CPMs of this year's cable upfront behind them.

Cable networks in 1990 reported record upfront sales of $750 million, about a 40% increase over 1990.

But this year, when the economy stalled and ad spending followed suit, cable networks were facing the same distressed selling conditions as their broadcast counterparts.

"I think the broadcast networks were in a position to [offer] such significantly reduced CPMs that it inhibited the cable networks from raising their CPMs as quickly as they could have," says Mr. McGowan.

"We're negatively impacted by the over-the-air broadcast networks' softness," he says.

That led to flat CPMs or low single-digit increases, in many cases, which resulted in a flat upfront selling season.

Still, several cable sales executives were grateful upfront didn't turn out worse.

"The bargain basement deals that have been out there during this year's upfront will no longer be out there once we get into 1992," Mr. McGowan says. □

### Coen Watch: Cable TV

**The happy medium**

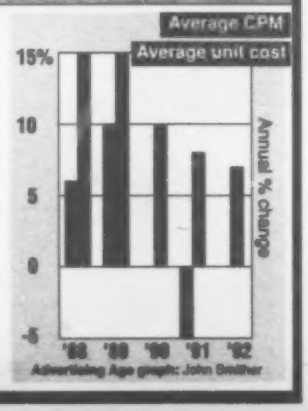
Cable TV has more to look forward to than most other media industries.

As audience shares continue to expand and ratings increase, cable networks have been able to raise unit prices while holding the line on costs per thousand viewers, which improves their competitive pricing positions.

In 1992, average unit prices for all cable networks are expected to go up about 7% while cable TV CPMs should remain nearly unchanged.

*—Robert Coen*

Source: Robert Coen, McCann-Erickson Worldwide




Advertising Age graph: John Smither

# SPEAKING WITH AUTHORITY

## 'Sports Illustrated' optimistic, but few believe elections, Olympics will have an impact on magazines

D. Hobbs

A. Saralegui

A. Linderman

**Dick Hobbs, senior VP-media services, Leo Burnett Co., Chicago**

"My feeling is that it [the quadrennial year] has no effect. And the reason I think it has no effect is that one uses magazines for a different reason than one uses television.

"The Olympics and the elections have some effect on the way television is distributed client-by-client, but I don't believe it has any effect on the way magazine dollars are planned and/or spent.

"I think the potential increase in 1992 is almost completely related to whether the economy turns around and not the Olympics or the elections.

"I think we're looking at a year when the Olympics that used to, way back, turn up some additional advertising dollars from client-to-client and as slowly over time become replacement dollars, probably in 1992 and maybe forever, will be replacement dollars."

**Alvero Saralegui, advertising director, *Sports Illustrated***

"Traditionally [advertisers] do get excited about the Olympics, and I'm optimistic they will again. I think there's more money being spent in print than in the past.

"For instance, in our Pathways issues leading up to our preview issue, we will sell roughly two and a half times more [advertising] than we did in 1988 when the Games were in North America.

"It's a very strong showing by the Olympics sponsors. A part of it is these sponsors signed up much earlier in the quadrennium than in the past.

"And with the changeover to the Olympics to every two years instead of every four years, it becomes every other year you're doing an Olympics.

"With the format change coming, they wanted to get the '92 Games wrapped up as soon as possible, and the International Olympic Committee signed up all the sponsors, including ourselves, much earlier than they have in the past.

"I think [the 2-year format] has led to people deciding [Olympic sponsorships] are a depreciable asset.

"As soon as the Olympics are over, you have to sign a new sponsorship agreement.

"As long as you've committed to the Games early on, you might as well use the positive rub-off of the rings earlier on in the quadrennium. We've already had a lot of advertisers doing that, starting earlier."

**Allan Linderman, VP-advertising services, Alberto-Culver Co., Melrose Park, Ill.**

"I don't think [elections and Olympics] are going to have an impact on magazines.

"There are some special opportunities that may come up from a pricing standpoint.

"But neither of those two events will have much impact on the magazine industry.

"Things inventory-wise are beginning to tighten up but I don't think 1992 is going to turn into a seller's market."

*—Laurie Freeman*

**Coen Watch: Magazines**

### Hard work, no play

The struggle continues.

To offset hefty postal rate increases and other operating costs, many magazines are announcing much higher ad rates for 1992.

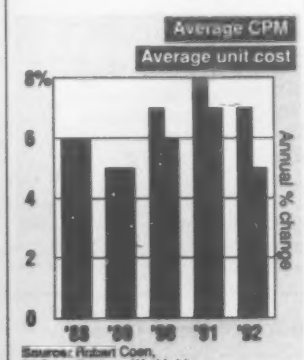
But magazine rate cards no longer are a completely accurate means of measuring how much more marketers will pay for their schedules in an upcoming year.

The current sluggish state of ad demand and the growing availability of special purchase arrangements will water down the announced increases.

But by mid-1992, real prices should be on the upturn.

For the year as a whole, page rates will probably be up around 5% while costs per thousand grow 7%.

*—Robert Coen*



Sources: Robert Coen, McCann-Erickson Worldwide

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# 'Limp-wristed recovery at best'

## Experts say newspapers caught in evolutionary downward spiral

By Christy Fisher

Maybe next year. That's all the newspaper industry can hope.

Caught in its worst cyclical downturn in 20 years, newspapers had hoped for signs of a recovery in 1991. But instead, the industry is likely to post its second consecutive down year—the first time in 40 years it has taken a double dip.

"Everybody keeps telescoping out," says Kenneth Berents, an analyst with Alex. Brown & Sons, which does a quarterly outlook survey of newspaper executives. "Now, they're pointing to the second quarter of 1992 before they expect a pickup. When it does pick up, it looks like it will be a limp-wristed recovery at best."

According to Mr. Berents' survey of newspaper executives, retail ad revenue should be off 4.6% for 1991, classified will be down 5.3% for the year and national ads will decrease 3.9%.

He expects the industry to post increases in the low single digits in 1992.

Newspaper Advertising Bureau is looking for the industry to post a 2% ad revenue gain in 1992, fueled by improvements in the economy. The increase, modest on its own, still is a stark improvement over the 3% to 4% decline expected for 1991, says Len Forman, ad bureau president.

The industry reported ad revenues of $32.2 billion in 1990, down 0.3% from the previous year.

While many believe the industry is stuck in a temporary cyclical trough, other newspaper insiders say the medium is on a slow evolutionary downward spiral, as Mr. Berents suggests.

Either way, newspaper executives aren't wasting time debating the issue. They recognize the industry has problems deeper than the current recession.

"Pain helps you focus," says Cathleen Black, president of the American Newspaper Publishers Association. "The pain of the last couple years certainly has publishers, editors, ad directors and classified managers exploring every possible nuance to making their product as timely and relevant as possible. . . . The newspapers of the '90s are going to be different."

Faced with stagnant circulation and declining readership, newspapers are paying more attention to the baby-boom generation, which largely has shunned the medium.

Tom Bachtell

Chains such as Knight-Ridder Newspapers and Gannett Co. are overhauling their editorial products to make them more lively, useful and readable.

"Of the potential pool of 24 million baby boomers age 30 and older in the 1980s, only 500,000 have become newspaper subscribers," Mr. Berents says. "Newspapers have to change to bring in the baby-boom generation."

Newspaper advertising executives, who have been accused of arrogance by advertisers and their agencies, also have developed a more consumer-friendly attitude, and for good reason. Newspapers' dominant ad-medium market position has been slipping over much of the past decade as advertisers jump to more targeted media vehicles such as direct mail and cable TV.

Newspapers had a 25.1% market share of U.S. advertising dollars in 1990, for example, down from a 27.6% share in 1980, according to NAB.

As Ms. Black says, "It's no longer 'This is what we have and this is what you have to buy.' "

Mr. Forman adds, "One positive aspect of this two-year period of falling revenue is new product innovations are real hot."

Newspapers are forming alliances to facilitate national or regional buys for advertisers and their agencies. National newspaper networks, such as Newspapers First, are working on one-order, one-bill capabilities. Regional networks also have been set up in such states as Florida, Iowa and New Jersey.

Newspapers also are making available to advertisers more detailed demographic information on their readers and developing more targeted vehicles for specific segments, such as zoned editions, special sections and stand-alone magazines on special-interest topics.

> "We may look back on the '80s and realize that they were the golden period of newspapers."

Newspapers are paying more attention to their competitors and developing new products. Many papers are accelerating the development of audiotex services now that the telephone companies have been given permission to compete in this arena.

In August, the *Kansas City Star*

# Magazines

(Continued from Page S-20)

tions' *Glamour*. "There's still a lot of debt factored into the way these magazines are operating."

The swell in multimagazine and cross-media deals will intensify, with Time Warner, Hearst Corp. and Meredith Corp. leading the charge, magazine executives say.

There also will be an explosion in strategic alliances between small and midsize publishers as they strive to compete with media giants. "I think you're going to see an increase in packaging," says S. Christopher Meigher, president of Time Inc. Magazine Co.'s New York-based magazines.

Publishers are working harder than ever to prove magazine ads move product. Many are offering more added-value and cross-media deals, and are making use of technologies such as ink-jet imaging and selective binding.

"What's going to happen is advertisers are going to continue to look for more accountability and a clearer path to sales," says Mr. Berrien. "Magazines that can help them ring the cash register are going to see growth next year."

"The more we can bring the consumer closer to the point of purchase, the more effective a marketing program is going to be," agrees Steve Goldberg, president of the publishing division of Touch Tone Access, which creates interactive marketing programs for magazines.

On the circulation front, more magazines are likely to scale back rate bases as they raise cover prices and eliminate marginal subscriptions.

Magazines are not expected to get much of an ad page lift from the Olympics and elections next year.

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FOR 10 YEARS, THE PBS WEEKLY SERIES *MOTOR WEEK* HAS DELIVERED PROVEN VALUE TO QUALITY-DRIVEN SPONSORS. CONSIDER:

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John Suhler, president of investment banker Veronis, Suhler & Associates, says, "The quadrennial is a top-down phenomenon."

Normally, network TV inventory tightens and rates rise during an Olympics/election year, pushing more advertisers into spot TV. As that market tightens and rates rise, advertisers spill over into other national media, including magazines.

Because network TV is not expected to get a major boost from the quadrennial, magazines will not feel any spillover.

A handful of publishers have a more optimistic view of 1992.

Michael Perlis, publisher of *Playboy*—which has posted strong ad page gains this year—says he expects to continue on a growth path next year, although he admits the market is weak.

"The fourth quarter is really tough. We're working hard for every dollar," he says. "I think it's going to continue to be tough in the first quarter from an ad sales standpoint. But beyond the first quarter, we see marketers getting more ambitious and enthusiastic."

In a sign of how troubling the downturn has become, even those who consider themselves optimistic have a fairly sobering outlook.

"I don't see people increasing budgets much, but I don't see them slashing them any more either," says Mr. Kliger. "I'm predicting a flat year, which would be a victory."

Media buyers say a glum view is probably warranted.

"We don't see budgets increasing dramatically," says Peg Ianacone, manager of print media for Grey Advertising. "It's probably not going to turn around in the first half. I don't know about later in the year.

"The magazine business is going to be as much of a struggle in 1992 as it was this year." □

## Magazines: *Hot*

**The other revenue stream:** As ad revenues continue to fall, the importance of circulation becomes clearer. Family Media's heavy use of discounts to woo subscribers played a critical role in the publisher's collapse. Look for publishers to continue to pay more attention and less lip service to circulation. As a result, more rate-base reductions are likely.

**We are family:** Parenting and family oriented magazines will continue to thrive along with the current mini-baby boom and the return, real or perceived, of so-called traditional values. Two new entrants in the field, *FamilyFun* and *Ladies' Home Journal's Parent's Digest* both got off to strong starts this year, and both will be pushed more aggressively in 1992.

**In this corner:** The argument over whether mass-market magazines have a future continues, but the recession has made it clear special-interest magazines have an edge in the age of target marketing. The short list of magazines that have seen ad page increases this year is dominated by such titles as *Muscle & Fitness, Outside, Popular Photography* and *Runner's World*.

FamilyFun (above) is off to a fast start while National Lampoon remains hung up on panty raids.

**Jack's knack:** How hot is *Glamour* Publisher Jack Kliger? At a time when Conde Nast is playing musical chairs with many of its publishers, the company engaged in a public tug-of-war with Hearst Corp. over Mr. Kliger. Conde Nast won, but Mr. Kliger, whose future at the publishing company seems quite bright, was the real victor.

**Where in the heck is Emmaus, Pa.?** Rodale Press' hometown will become a household name in magazine publishing in the 1990s. The publisher is perfectly positioned for the coming decade, with strong managers, virtually no debt and magazines that focus on such hot topics as health, fitness and the environment.

**The cable connection:** If cross-media deals in general are hot, packages linking magazines and cable TV are sizzling. Both are narrowly targeted, flexible media with similar pricing structures and already share many of the same advertisers.

## Magazines: *Cold*

**Disconnect the (sneaker)**

launched StarTouch, a phone-based feature that allows the newspaper to provide updates on breaking stories. For example, the *Star* included a telephone number on a recent story on a possible takeover of a local company. Readers could call the StarTouch phone number if they wanted updates later in the day. The paper plans to use the service to update election results as well.

The *Star* also uses StarTouch to enhance feature articles, as it did for a story on Chicago White Sox pitcher Jack McDowell and his band, View. Readers could call the StarTouch number to hear the band.

The service will be used for advertising later this year, primarily to enhance direct-response efforts.

To better compete against direct mail, the newspaper industry has developed Newspac, which allows liquid or powder product samples to be inserted in newspapers without spilling or breaking. The first test of Newspac is expected in October in the *Chicago Tribune* and *Milwaukee Journal*.

But even with these changes, it is unclear whether newspapers will ever see the spectacular growth of the 1980s again.

"We may look back on the '80s and realize that they were the golden period of newspapers," Mr. Berents says.

One of biggest problems newspapers face is their largest ad category also is undergoing great stress and evolution.

The retail industry, which con-

*(Continued on Page S-24)*

**phone:** Despite taking a harder look at circulation quality, publishers likely will continue to use discounts and editorial-related premiums (i.e., special issues, newsletters, etc.). But the smart ones will abandon the use of gimmicky, non-editorial premiums such as sneaker phones and clock radios.

**My other car is a Volkswagen:** Conspicuous consumption is out and magazines targeting the noisily affluent will be out as well unless they tone down their focus to reflect the quieter affluence of the '90s. Look no further than *Town & Country*, where ad pages declined 35% through August.

**Loves music, loves to dance:** Smaller publishers are going to be taking out personal ads soon, as they search out strategic partners in the age of multi-magazine and cross-media deals. Those who think they can still go it alone may be in for an unpleasant surprise.

**Why buy?** Cautious buyers, a shortage of sellers, unrealistic asking prices and a weak outlook for magazines have conspired to virtually halt the sales and acquisition market. More publishers are likely to look to launches for future expansion. And more would-be sellers may be forced to shut down operations for lack of a buyer.

**Quit fooling around:** *National Lampoon* has changed hands several times in the last two years and each set of new owners has promised to drop the sophomoric gags and return the magazine to the cutting edge of sophisticated humor. New owners J2 Communications seemed genuine in their promise but the October issue, with a cover story on panty raids, shows some things never change.

# SPEAKING WITH AUTHORITY

## Local political advertising may plug some leaks

J. Cohen

D. Zinda

**Jack Cohen, VP-director of print media buying, DDB Needham, New York**

"Normally, in an Olympics and presidential year, you do have an increase in newspaper spending. I would like to think that would be the case in 1992.

"It just might happen a little bit later this time because clients seem to be making decisions later, and it may not be as dramatic a bump as it has been in the past."

**Scott Bedbury, director of advertising, Nike**

"During the election period, the battles become furious and the amount of time needed [for political ads] forces prices up for either print or TV. That is fairly temporal.

"The only urgency that I've detected is if someone wants an outdoor board in Atlanta in 1996, they may have already missed the boat.

"There's been little emphasis on the Olympics [next year]."

**Diana Mather Zinda, senior VP-advertising and marketing, *The Baltimore* (Md.) *Sun***

"While newspaper ad revenues for the first half of 1991 were down 7% and some of *The Baltimore Sun*'s key categories have remained very soft, we remain optimistic about marketing opportunities in 1992.

"Historically, events such as the Olympics and the elections attract high reader interest and present newspapers with the opportunity to be innovative in capturing increased market share.

"In addition to meeting the traditional needs of newspaper advertisers, we'll continue to develop new approaches for clients to capitalize on events at the national, regional and local levels.

"It will be a difficult year. Generally, we expect no huge changes.

"However, with continued tenacity toward creative marketing, developing sponsorships, special value-added programs and partnership packages—on both the local and national levels—we clearly recognize and plan to meet the challenges and the opportunities ahead."

*—Laurie Freeman*

HE OWNS A BUSINESS IN NEW YORK.

*He was raised in Queens, but a team from Minnesota caught his attention when he was 9 years old. They haven't let go since. And although running his business is a 24-hour-a-day job, he makes time to fly to Minneapolis for at least one home game each season.*

TIME OFF DOESN'T COME EASY.

*There's only one magazine a man like this reads with the intensity he brings to his Vikings. The Sporting News. Only The Sporting News features the kind of in-depth information serious fans crave. It's the reason 3 million men are as devoted to this magazine as they are to their favorite teams.*

BUT ONCE A YEAR HE MAKES IT TO MINNESOTA FOR A VIKING HOME GAME.

*Our Viking fan's loyalties run deep. But reach him when he's reading about the team he loves best in the magazine he loves best and you stand a good chance of winning him over. Once you do, he'll be as loyal to your products as he is to the team that captured his imagination so many years ago.*

NOW THAT'S BRAND LOYALTY.

The Sporting News

*More Than Just The Score*

# No reading between the linage: Newspapers are hurting

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | May Department Stores Co. | $73,594.1 | $96,385.2 | -23.6% |
| 2. | R.H. Macy & Co. | 63,132.0 | 72,700.6 | -13.2 |
| 3. | AMR Corp. | 46,100.8 | 35,199.5 | 31.0 |
| 4. | Campeau Corp. | 41,045.9 | 54,159.4 | -24.2 |
| 5. | Sears, Roebuck & Co. | 38,973.8 | 64,870.9 | -39.9 |
| 6. | American Stores Co. | 28,274.2 | 34,251.5 | -17.5 |
| 7. | Carter Hawley Hale Stores | 27,866.4 | 34,158.9 | -18.4 |
| 8. | Delta Air Lines | 24,358.0 | 18,767.3 | 29.8 |
| 9. | Circuit City Stores | 24,173.1 | 18,027.8 | 34.1 |
| 10. | Dayton Hudson Corp. | 23,049.5 | 49,685.0 | -53.6 |
| 11. | Texas Air Corp. | 22,121.8 | 35,594.3 | -37.9 |
| 12. | Montgomery Ward & Co, | 21,580.7 | 34,302.3 | -37.1 |
| 13. | Vons Cos. | 20,791.1 | 14,087.0 | 47.6 |
| 14. | Kmart Corp. | 19,476.0 | 35,676.3 | -45.4 |
| 15. | Time Warner | 18,057.0 | 21,164.7 | -14.7 |
| 16. | Pan American World Airways | 17,857.6 | 17,157.9 | 4.1 |
| 17. | General Motors Corp. | 17,203.6 | 18,613.6 | -7.6 |
| 18. | Daimler-Benz AG | 15,971.9 | 10,726.6 | 48.9 |
| 19. | J.C. Penney Co. | 15,796.7 | 31,459.5 | -49.8 |
| 20. | NWA Inc. | 15,588.0 | 13,723.3 | 13.6 |
| 21. | Ralph's Grocery Co. | 13,827.1 | 8,607.0 | 60.6 |
| 22. | Dillard Department Stores | 13,381.0 | 13,991.1 | -4.4 |
| 23. | Sony Corp. | 12,954.1 | 14,183.9 | -8.7 |
| 24. | Tandy Corp. | 12,759.1 | 18,249.4 | -30.1 |
| 25. | UAL Corp. | 12,750.4 | 11,760.9 | 8.4 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | American Airlines | $46,122.9 | $36,310.4 | 27.0% |
| 2. | Circuit City stores | 24,538.1 | 18,027.8 | 36.1 |
| 3. | Delta Air Lines | 24,521.1 | 18,825.5 | 30.3 |
| 4. | Continental Airlines | 20,863.0 | 17,486.7 | 19.3 |
| 5. | Vons markets | 20,435.9 | 12,102.8 | 68.9 |
| 6. | Macy's household | 19,374.9 | 23,470.9 | -17.5 |
| 7. | Lucky food stores | 19,184.6 | 12,935.5 | 48.2 |
| 8. | Franklin Mint | 19,041.3 | 15,080.3 | 26.3 |
| 9. | Pan Am World Airways | 17,857.6 | 17,157.9 | 4.1 |
| 10. | Sears, Roebuck & Co. general promotion | 16,251.6 | 32,809.4 | -50.5 |
| 11. | Columbia record & tape clubs | 15,957.3 | 9,104.1 | 75.3 |
| 12. | Mercedes-Benz cars | 15,711.7 | 10,676.2 | 47.2 |
| 13. | Warner Bros. movies | 13,977.2 | 14,858.8 | -5.9 |
| 14. | Ralph's food stores | 13,845.1 | 8,629.2 | 60.4 |
| 15. | Northwest Airlines | 13,650.6 | 11,897.5 | 14.7 |
| 16. | United Airlines | 12,791.7 | 11,844.6 | 8.0 |
| 17. | Macy's miscellaneous | 12,438.9 | 13,528.6 | -8.1 |
| 18. | Sears, Roebuck & Co. household | 11,438.1 | 15,439.4 | -25.9 |
| 19. | Universal City studios | 11,354.5 | 14,639.8 | -22.4 |
| 20. | Macy's apparel | 10,615.8 | 12,634.3 | -16.0 |
| 21. | Dillard's | 9,723.6 | 8,896.4 | 9.3 |
| 22. | TWA airlines | 9,193.2 | 13,278.5 | -30.8 |
| 23. | 20th Century Fox movies | 9,137.1 | 5,796.7 | 57.6 |
| 24. | USAir | 9,068.1 | 7,352.3 | 23.3 |
| 25. | Hertz rent-a-car | 9,010.0 | 9,109.8 | -1.1 |

Source: LNA/Arbitron Multi-Media Service  Note: Trade names include all products/services of the same name in an LNA subclassification.

## Newspapers: *Hot*

**In the black:** Hired in June because she knows her way around Madison Avenue, ANPA President Cathleen Black has given the industry the high-profile boost it needs to show advertisers and agencies newspapers are serious about reinventing how they go to market. She also scored points among colleagues in July with her first lobbying effort before Congress, urging it to keep the regional telephone operating companies out of information services.

**Cathleen Black's congressional lobbying effort was a hit with colleagues; Newspac takes the spill out of product samples.**

**Reaching out:** Newspapers are finally getting serious in their quest to attract baby boomers, who have shunned the medium in favor of TV. Knight-Ridder is expanding elements of its *Boca Raton* (Fla.) *News* experiment to its other 28 newspapers. Gannett Co. has implemented a plan called News 2000, which calls for the rethinking and possible redesign of all 86 of its newspapers except *USA Today*. The future is likely to hold more color, shorter stories and bold graphics for these newspapers.

**Creative networking:** Newspapers are starting to catch up with direct mail and cable TV in grabbing their fair share of ad dollars for target-marketed products. New ad vehicles like Newspac, which allows product samples to be inserted in newspapers without breaking or spilling, are an encouraging sign.

**Promoting readership:** Similar innovations are being used to attract subscribers. Frequent-reader promotions have sprung up in several markets including Hartford, Conn.; Richmond, Va.; Reno, Nev.; and Tucson, Ariz. These have a double payoff: Readers who buy a paid-in-advance subscription get a discount at companies that advertise in the newspaper.

**Partnerships:** *USA Today* and Turner Broadcasting System are teaming up for a cross-media deal, the likes of which could propel newspapers out of the doldrums.

The two are producing a sports show called "College Coaches Corner," a weekly poll of the top 25 football coaches. Results appear in the national daily, and the companies are selling a joint ad package. And this is only the beginning. *USA Today* and CNN are discussing other cross-media and cross-promotional packages for the future.

## Newspapers: *Cold*

**Two-timers:** The recession is likely to take its toll on two-newspaper towns, especially in markets where a common owner puts out a competing morning and evening edition. In 1992, newspapers in San Diego and Richmond, Va., will consolidate operations, though San Diego will continue to publish a morning and evening edition. Morning and evening papers were merged this year in Portland, Maine; Asheville and Durham, N.C.; and Newport News, Va. Papers have been or will be shuttered this year in Baton Rouge and Shreveport, La.; Lawton, Okla.; Manchester, Conn.; Roanoke, Va.; and Union City, N.J.

**Cold shoulder:** There's a run on pink slips as newspapers consolidate operations and suspend publications. Layoffs were announced at the Atlanta *Journal & Constitution*; *Asbury Park* (N.J.) *Press*; *The Boston Globe*; Dow Jones & Co.; *The New York Times*; and *The Miami Herald*, to name just a few.

## Newspapers

*(Continued from Page S-23)*

tributes more than 50% of newspapers' ad revenues, shows little sign of recovery any time soon. Overleveraged department store retailers, an advertising mainstay for big-city dailies, have trimmed ad budgets as they struggle to pay down debt, says Kevin Gruneich, an analyst with First Boston Corp.

> "Newspapers have to change to bring in the baby-boom generation."

Changes in consumer buying habits away from traditional department store retailers and toward specialty retailers, which do little newspaper advertising, also have hurt the industry, he says.

The trend toward image campaigns over price-item advertising has been a problem for newspapers as well, Mr. Gruneich adds. It doesn't help that several of the retail industry's success stories—Wal-Mart Stores, Nordstrom and The Limited—are not heavy newspaper advertisers.

"Those dollars may be lost for a long time," he says. "Newspapers are going to have to make do without them."

The business conditions likely will depress ad rate increases next year. Rate hikes, which should average 5% to 5.6% in 1991, will be a more moderate 4.6% to 4.7% next year, according to Alex. Brown & Sons' most recent quarterly survey of newspaper executives.

"The years of significant rate hikes are long gone," says Mr. Berents.

At least 63% of the executives surveyed indicated advertisers' reaction to the rate hikes was mild—even in this down economic year. Only 29% said the reaction was severe.

Mr. Berents says advertisers may be getting conditioned to yearly rate hikes.

When the rebound comes, rate hikes coupled with linage gains will translate into revenue gains, he adds.

Mr. Forman says the newspaper bureau expects rate hikes of about 3% to 5% according to the rate of inflation.

As far as criticism on how newspapers can raise rates when overall circulation and penetration are declining, he says most newspapers actually are beginning to report circulation and readership increases. The industry's overall numbers are down because of the closing of papers, but those that survive are getting stronger, he says. □

### Coen Watch: Newspapers

#### Paper chase

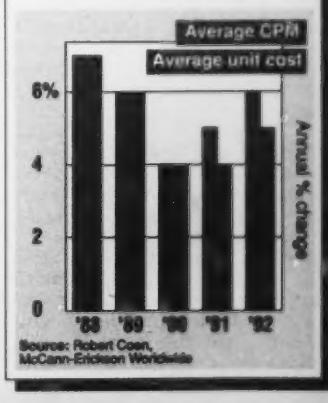
Newspapers had a bad year in 1991, and 1992 doesn't look like it's going to get much better.

In most markets, the average newspaper ad linage rate increase will be about 5%.

Newspapers will be reluctant to raise prices substantially once business improves because of the pressures created during the current depressed newspaper economy.

The uncertainties about future ad demand should hold back any spurt in newspaper ad rates until late 1992.

*—Robert Coen*




Source: Robert Coen, McCann-Erickson Worldwide

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# If politicians want to gab, radio eager to listen

## Recession hit hard, and execs hoping to hold even

**By Adrienne Ward**

If no news is good news, the radio industry is in for an average year.

"At this point we're forecasting a flat year for 1992," says Mike Nicassio, exec VP-sales at radio rep Eastman Radio. "If there's any turnaround, we're not expecting it before the second quarter of 1992."

Mr. Nicassio says total national ad revenue for radio was down 2.7% to $718.5 million through August, the latest month for which figures are available. Last year at that time, revenues were up 3.4% from 1989.

Ad agency media buyers and planners say radio stations will have to work very hard to maintain their business in the coming year.

"I don't think we're going to see anything in terms of killer increases or usage," says Liz Russo, VP-network radio at Backer Spielvogel Bates, New York. "It's going to be pretty much steady in terms of how increases have been going in the past couple of years; nothing like the early '80s. But I think it will hold its own.

"Right now network radio is doing very well so hopefully that will carry into next year for spot and local."

Network ad revenues have been able to maintain their momentum during this year's weak economy, and Bud Heck, president of Radio Network Association, predicts they will continue to grow next year.

"We have been able to show increases through the end of August, which none of the other media can say," he says.

Network ad revenues grew to $283 million by the end of August, a 1.8% increase from the same period last year, Mr. Heck says.

He expects 1992 network ad revenues to post double-digit growth.

"I don't think people are using us because we are cheap," he says. "They're using us because they're finding out that we're effective. If you want to be cheap, you can go out and put your name on matchbooks."

Tom Bachtell

He attributes network radio's growth to better marketing efforts on the part of the industry.

Last year, many radio insiders predicted the industry would benefit from the economic recession, believing that advertisers would move their ad dollars from TV to radio.

But that didn't happen.

"In years past, radio profited in recessions because its efficiencies compared favorably to television. If [an advertiser] couldn't afford a large TV campaign, they'd switch to radio," says Mr. Nicassio.

"But this year, ad expenditures are just cut across the board, there's not as much shifting from one medium to the other," he says. "They're just cutting rather than taking it in column A and putting it in column B."

Len Stein, senior VP-associate director of radio at Young & Rubicam, New York, says the 1991 recession wasn't much of a boon to radio, after all.

"The problem was created within the TV industry, because TV ad sales were off and therefore [network TV] pricing was adjusted to that, which made them extremely competitive.

"Advertisers looking to spend in electronic media would tend to go toward the video—both TV and cable—because of the pricing.

"I don't think radio overall fared as well as it normally has in these kinds of periods, though network radio has done fairly well."

A good deal of radio's fortune in 1992 relies on how quickly the economy picks up.

"Given that radio has seen an

*(Continued on Page S-26)*

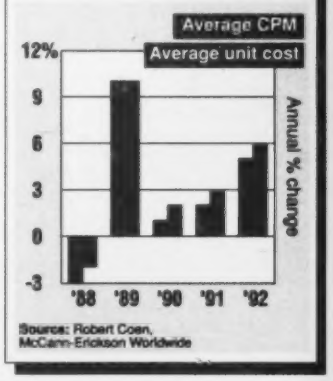
### Holding its own

The radio networks are picking up steam, and the outlook for next year looks good.

Network radio experienced a slump in ad revenues earlier in 1991, but demand appears to be increasing. Next year, economic growth, the Summer and Winter Olympic Games and political elections will increase demand for network radio ad time.

Unit prices could go up as much as 6% in 1992, and costs per thousand could grow about 5%.

*—Robert Coen*



Sources: Robert Coen, McCann-Erickson Worldwide

We were advising small business when Ford was a start-up.

Business magazines come and go. But none has ever come as far as Nation's Business. Today, Nation's Business delivers more subscribers than any other small business magazine. More than Inc. More than Success. More than Entrepreneur or IB. To reach all 850,000 of them, call Bob Gotshall, 313-354-1180, and advertise in Nation's Business. Since 1912, the most dependable vehicle in America.

Source: MRCA, 1991

Nation's Business
*The Small Business Adviser*

# SPEAKING WITH AUTHORITY

## Olympics and elections are contagious

M. Kelley Jr.

S. Michaelson

D. Landau

**Maurice Kelley Jr. VP-marketing services, SmithKline Beecham [illegible]burgh**

"We use radio for a number of our brands and we plan to continue to use it, but we haven't made any supplemental buys based on anticipating differences in media impact. And I don't see other companies doing that either.

"We are fairly significant sponsors of the Winter and Summer Olympics, the broadcasts, a big buy on CBS, so we've tapped into what's happening from that standpoint. But beyond that, we haven't made any compensating kinds of buys at all.

"We don't think the recession is over. Consumer confidence is down again. We don't see any real signs that the consumer has found confidence yet and we think 1992 will be a tight year.

"But we'll be out there on radio plugging away on our products."

**Sam Michaelson, VP-director of radio, Saatchi & Saatchi, New York**

"I believe we will see that quadrennial bump. I don't believe that it won't be there, it's always been there. . . . It's contagious, those events [Olympics and elections] create enough excitement that everyone wants to get involved.

"The only question that I have about the political situation is who the Democrats put up for election. How much media weight is Bush going to put behind his re-election?

"But we're going to feel it, the market is going to tighten up. It has to. There's a lack of inventory.

"We're spending a lot more on radio, the ratings are there and [radio] inventory is worth more. I'm very positive about it. Clients are asking a lot more questions about radio advertising."

**David Landau, president, Unistar Radio Networks, New York**

"It's been our experience in election years, particularly presidential election years, that the dollars in radio get spent on a local market-by-market basis and they're concentrated in the major cities that will swing the electoral votes in powerful states.

"What we think will happen is that the local radio markets will tighten up and advertisers will have trouble getting into scatter markets and we [network radio] will be the beneficiary of that.

"For the Olympics, we're out on the street with a package. We . . . believe that, as the TV networks tighten up, it will also create another supply-and-demand situation as advertisers look for other successful national media to advertise in.

"Network radio is usually their choice. We and network TV are the only true national [mass market] advertising vehicles, right now, so we're pretty confident on that score.

"We're optimistic about 1992. We feel the business climate is improving, and with the election year, the bottoming of this economic downturn and the Olympics, we believe there are some real positive things going on. We believe 1992 is going to be a good year."

*—Laurie Freeman*

## Radio: *Hot*

**Locker room banter:** All-sports radio stations are becoming a growing trend. Diamond Broadcasting, owner of Chicago's WXRT-FM rock station, has a new all-sports station set to begin airing this month, pending Federal Communications Commission approval. The station joins others in New York, Philadelphia, Denver, Minneapolis, San Diego, Seattle, Tampa, Fla., and newcomers in Albuquerque, N.M., and Boston. ESPN and ABC Radio are forming a national all-sports radio network in January that will air 16 hours of programming every week. ESPN Radio Network will broadcast weekend shows and weekday reports during morning and afternoon drive times.

**Air shows:** We're not talking about the kind the military puts on in the summer—we're talking about in-flight radio services that allow fliers to tune into live sports, news and entertainment events. In-Flight Phone Corp. is awaiting an experimental license from FCC; Sky Radio, a joint venture between *USA Today* and FliteCom Systems, will start operating aboard Delta Air Lines.

## Radio: *Cold*

**Jocks on the tube:** Chicago disc jockey Jonathan Brandmeier's late-night TV show bombed horribly and stations that picked it up struggled to find a late enough spot where it wouldn't do them damage. Now Los Angeles jocks Mark and Brian have upped the ante. Critics say it will be miraculous if their NBC-TV show makes it to mid-season.

**Falling off charts:** Top-40/-dance-oriented stations are finding it hard to stay on top with pop. Insiders say lack of creativity and increasingly fragmented audiences are hurting the format.

**Not so E-Z after all:** Does anyone listen to E-Z listening stations anymore?

## Coen Watch: Spot Radio

### Olympic hopeful

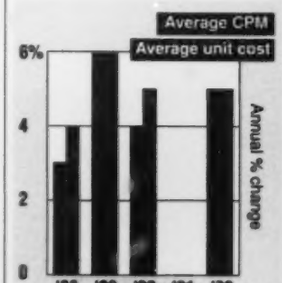
Spot radio will be benefit from the quadrennial year.

The Olympics, elections and expected economic recovery are likely to boost spot radio revenues.

These events come after a year of bad news for spot radio. The Persian Gulf War and recession caused considerable disruption in spot radio spending in 1991, but by spring 1992 demand should radically improve.

Average local and national spot radio unit costs and costs per thousand could rise 5% to 6% in 1992.

*—Robert Coen*



Source: Robert Coen, McCann-Erickson Worldwide

# Radio

*(Continued from Page S-26)*

overall soft market this year, I would think economic recovery should help them in terms of getting a larger share of dollars that are out there," says Richard Alcott, senior-VP media director at Lord, Dentsu & Partners, Los Angeles.

He says vertical programming, such as an all-sports network, will attract more advertisers. "I see it as a potential growth area next year," he says.

One potential bright spot on the horizon could be next year's big events: the Olympics and elections. But radio buyers and sellers are not holding out great hope that the quadrennial year will boost radio ad revenues.

Olympics traditionally do not give radio stations a jump, but elections often have. In the 1988 quadrennial year, for example, political ad spending comprised 1.3% of total spot radio advertising (network radio was not used in the 1984 and 1988 presidential elections), according to the Radio Advertising Bureau.

"One of the important things for the radio industry as a whole is the anticipated heavy activity with national and local political campaigns," says Mr. Stein. "It will be a strong revenue base if there is a significant amount of it. But it's hard to say if there will be. It's going to depend upon who the Democratic candidate is and the dollars available, plus their marketing strategy."

Most radio insiders worry the elections will not provide substantial revenue increases next year. "The elections and Olympics will probably generate some additional revenues," Ms. Russo says. "But it's not going to be really huge."

The result could make for a long winter for radio ad revenues.

"While the economy is in a recovery mode, it takes a long time to filter down. September unemployment figures show the work force is still in recessionary mode. . . . We're probably going to see this [recession] for another year," Mr. Alcott says. □

## Network radio rolls through the recession...

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Sears, Roebuck & Co. | $37,590.1 | $36,229.2 | 3.8% |
| 2. | Gateway Educational Products | 29,309.9 | 2,482.4 | 1,080.7 |
| 3. | AT&T Co. | 13,491.9 | 12,189.3 | 10.9 |
| 4. | Volkswagen AG | 12,185.1 | 19,548.6 | -37.7 |
| 5. | Accor SA | 11,492.3 | 10,112.1 | 13.6 |
| 6. | Chrysler Corp. | 11,119.4 | 6,314.0 | 76.1 |
| 7. | General Motors Corp. | 9,889.6 | 11,152.3 | -11.3 |
| 8. | Bayer AG | 9,010.5 | 7,522.8 | 19.8 |
| 9. | Goodyear Tire & Rubber Co. | 8,482.0 | 3,708.6 | 128.7 |
| 10. | Warner-Lambert Co. | 7,443.1 | 6,699.5 | 11.1 |

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Hooked on Phonics home study course | $20,309.9 | $2,482.4 | 1,080.7% |
| 2. | Motel 6 motels | 11,492.3 | 10,112.1 | 13.6 |
| 3. | Sears, Roebuck & Co. household | 5,534.3 | 10,283.4 | -7.3 |
| 4. | Dodge trucks & vans | 8,499.6 | 278.0 | 2,957.4 |
| 5. | AT&T Co. general promotion | 7,080.1 | 7,268.2 | 8.4 |
| 6. | Sears, Roebuck & Co. general promotion | 7,748.9 | 4,747.7 | 63.2 |
| 7. | Discover credit card service | 7,454.6 | 6,579.3 | -13.1 |
| 8. | Volkswagen cars | 7,175.7 | 8,062.0 | -11.0 |
| 9. | Toys 'R Us stores | 6,635.0 | 7,106.6 | -6.6 |
| 10. | "Wall Street Journal" | 5,888.0 | 4,397.2 | 33.9 |

## ...and spot radio does even better

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Philip Morris Cos. | $18,764.0 | $13,754.7 | 36.4% |
| 2. | Southland Corp. | 12,902.5 | 3,754.7 | 243.6 |
| 3. | General Motors Corp. | 9,954.2 | 8,639.3 | 15.2 |
| 4. | Anheuser-Busch Cos. | 3,906.3 | 3,254.3 | 20.0 |
| 5. | PepsiCo | 9,474.2 | 7,777.9 | 21.8 |
| 6. | Delta Air Lines | 7,556.1 | 6,451.1 | 17.1 |
| 7. | American Stores Co. | 6,192.5 | 4,345.0 | 42.5 |
| 8. | Kraft Inc. | 6,090.3 | 5,090.3 | 19.7 |
| 9. | Honda Motor Co. | 6,078.4 | 2,577.2 | 135.9 |
| 10. | Fiat Group Ltd. | 5,967.9 | 5,253.5 | 13.6 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | 7-Eleven food stores | $12,802.5 | $8,294.1 | 54.4% |
| 2. | Miller beer | 8,246.0 | 4,113.9 | 100.4 |
| 3. | Delta Air Lines | 7,556.1 | 6,451.1 | 17.1 |
| 4. | American Express travel | 5,155.5 | 2,468.7 | 149.7 |
| 5. | Maxwell House coffees | 5,836.4 | 5,822.5 | 0.2 |
| 6. | Coors beer | 5,214.2 | 7,038.0 | -25.8 |
| 7. | Fox TV network | 4,963.6 | 3,878.2 | 28.0 |
| 8. | Sears, Roebuck & Co. general promotion | 4,522.2 | | NA |
| 9. | Budweiser beer | 3,910.8 | 2,567.9 | 52.3 |
| 10. | Ford Motor Co. | 3,889.5 | 1,366.0 | 184.8 |

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclass/fication.

# Package goods could arrest slump

## 'New' outdoor categories looked upon to ease two years of slippage

By Junu Bryan Kim

Insiders say it won't be so cold outdoors next year.

Despite the recession and continued spending cutbacks from tobacco companies, outdoor advertising revenues next year should be equal to or slightly better than this year's total, industry observers predict.

If this holds true, the total will stop a two-year slide in annual revenues.

The recent slump will keep price increases in check. Outdoor sellers and most buyers predict increases of about 4% to cover inflation.

However, Byron Chandler, VP-out-of-home media, Laurence, Charles, Free & Lawson, New York, predicts overall prices will be flat. He attributes that to an increase for high-demand boards in good locations while low-demand boards remain flat.

> 'Suppliers are getting a lot of inquiries regarding space availability.'

Some in the industry won't complain too loudly if it runs in place. "The way people in media got hammered, when you can say you did about as well as the year before, you can say you did well," says Tommy Teepell, senior VP-marketing, Institute of Outdoor Advertising.

"I think things are going to look up for [outdoor vendors] next year," says Chris Massler, VP-out-of-home media director, Leo Burnett USA, Chicago. "Suppliers I've talked to are getting a lot of inquiries regarding space availability for 1992. . . . These inquiries for business basically went by the wayside in '91."

According to LNA/Arbitron Multi-Media Service, outdoor advertising expenditures in 1990 totaled $688.8 million, down 2.4% from 1989's $705.8 million and 4.1% off 1988's $718.2 million.

But LNA/Arbitron also reports first half 1991 outdoor ad revenues totaled $327.4 million, about even with the $327.1 million spent in the same period in 1990.

## Out of Home

Tom Bachtell

The upbeat 1992 predictions will be realized only if expected business materializes from ad categories that traditionally have used little, if any, outdoor.

"The outdoor industry, if it relies on traditional revenue sources, will see little or no recovery," says Pete Riordan, VP-out-of-home media, BBDO Worldwide, New York.

Although vendors perenially have sought increased ad revenues from non-traditional users of outdoor, such as package-goods marketers, these aspirations appear more attainable because out-of-home advertising is riding the current interest in targeted media, buyers and vendors say.

"This section of media is being viewed as being directly more responsive with the market," says Mr. Chandler.

This affinity for targeting has contributed to a year-to-date revenue increase of more than 7% from national marketers at Gannett Outdoor Group, says President-CEO Don Davidson.

"We're getting looked at almost like alternative media, so we get into some budgets that we weren't in before," says Mr. Davidson, who predicts a 4% increase from national marketers next year.

Mr. Davidson says categories on the rise include entertainment companies such as movie studios; package goods marketers, including Colgate-Palmolive Co. and Bristol-Myers Co.; and fashion marketers such as Levi Strauss & Co.

But the local ad scene still could present problems, Mr. Davidson says. Most major local advertiser categories—local broadcast media, auto dealer associations and financial institutions—still are affected by the recession and aren't expected to boost outdoor spending next year.

One possible bright spot on the local level could be retail. But that hinges on economic recovery and a surge in consumer spending.

"Retail tends to be down more in bad times but recovers more quickly in good times," Mr. Riordan says.

However, Mr. Teepell says, "Leveraged retailers will force [their advertising people] to be careful."

The increases from untapped revenue sources are needed to balance another predicted drop in tobacco revenues. Despite grassroots protests, tobacco remains the biggest source of outdoor ad dollars.

Vendors say the category will remain heavily active in the medium.

"Has overall revenue for tobacco companies gone up or down? Sure it's gone down. But is the sky falling? No, I don't think so," says Stephen McNeely, president-ceo, Patrick Media Group.

Tobacco spending has accounted for about 25% of total annual outdoor ad revenues since 1987, LNA/Arbitron numbers show.

The need to recoup lost revenues from tobacco companies underscores the importance vendors see in improving their marketing techniques.

Mr. McNeely says Patrick sales staffs now are being taught to put the customer's interests first and to consider how outdoor, as a part of a media mix, can address the client's needs.

"The philosophy is to be a business partner with a client, rather than someone who's selling outdoor advertising," he says.

For example, Patrick has started putting together cross-media programs with other local media such as cable and

*(Continued on Page S-28)*

### Kicking the habit

Outdoor rates barely rose in 1991, and the outlook doesn't get much better for the first half of 1992.

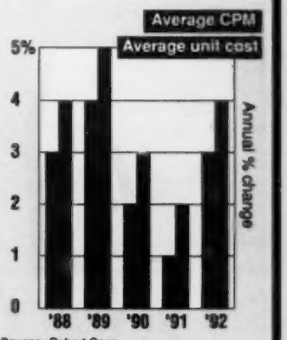
Tobacco and alcohol marketers—key outdoor advertisers—have been cutting their schedules back in recent years.

Outdoor sellers have turned to local marketers to replace the lost revenues from alcohol and tobacco companies, but many smaller marketers have been severely hurt by the recession.

Some gradual improvement is expected by mid-1992 for the out-of-home industry, and published rates are going up 5% to 6%.

But the medium is still highly negotiable. Actual rates negotiated will probably end up being only 3% to 4% above 1991 levels.

*—Robert Coen*




Source: Robert Coen, McCann-Erickson Worldwide


# IF YOU THOUGHT LAWRENCE WELK WAS ST. PETERSBURG'S FAVORITE BAND. . .

We hate to burst your bubble.

While St. Petersburg — and the entire Tampa Bay area — was once thought of as the retirement capital of the world, this is no longer true. The volume of new, young residents arriving in the St. Petersburg area has lowered the city's median age by nearly eight years since 1980.

So it's not surprising that a sell-out crowd of nearly 48,000 young people turned out for the New Kids on the Block concert in August 1990 — one of the many rock concerts held at St. Petersburg's new Suncoast Dome.

And it's not surprising either that Tampa Bay keeps up with the Times. The St. Petersburg Times, Tampa Bay's largest newspaper, beats the Tampa Tribune in metro circulation by more than 106,000 papers daily and 122,500 on Sunday.*

So get in tune with Tampa Bay. Call 1-800-333-7505, ext. 8249 for the latest information on this thriving market and the newspaper that serves it best.

*Source: ABC Audit Report for 12 months ending 12/31/90. Represented nationally by CWO & O, (212)750-7040.

Photo by Don Crisp, D'nD Photography

St. Petersburg Times
Tampa Bay's Largest Newspaper

## Out of Home: *Hot*

**Count me in:** Here's an easy way to double revenues—have someone else count them. Institute of Outdoor Advertising has claimed LNA/Arbitron Multi-Media Service wasn't getting revenue figures from all vendors—and thus underreporting the industry's income. By how much? Third-party auditor Lee Cobb & Associates extrapolated LNA's data and estimated 1990 industry revenues to be almost $1.5 billion—more than double the LNA figure. LNA is considering whether to include these estimates in its spending logs.

**Bon voyage:** With today's emphasis on target marketing, buyers like the right-place, right-time characteristics of transit properties—especially commuter rail stations and airports, which feature a more affluent clientele.

**Celluloid heroes:** Outdoor salesmen have made like aspiring actors trying to impress movie studios. So far they've done well: Vendors say the entertainment category has been a big bright spot this year.

**The right call:** Give people a phone number and they'll call it—even if they're literally on the road. That's what some marketers believe, and they're splashing phone numbers on outdoor ads to catch the increasing number of people with car phones.

**Self-help course:** With the industry taking a longer look at how it's marketing itself, watch for Outdoor Advertising Association of America to lend a hand. Observers predict next year the group's emphasis will swing from addressing government issues to promoting the medium.

Entertainment fare such as "Soapdish" has boosted outdoor, while the bogus Afro Country Club board ran afoul of vandals.

## Out of Home: *Cold*

**Tacky, tacky, tacky:** Creative departments, take note: No more garish outdoor ads. Day-glo paint is out; simple images are in.

**Fighting battles abroad . . .** The fight against tobacco advertising has intensified outside the U.S. Outdoor tobacco ads will be outlawed at the end of this year in Australia and by January 1993 in France. In addition, the European Community has proposed banning all tobacco advertising; a vote is expected next month.

**. . . and at home:** Meanwhile, U.S. community activists have continued their protests against cigarette and alcohol ads, especially those in minority neighborhoods. Most notable among protesters in 1991 is the Rev. Michael Pfleger, a Chicago clergyman who was acquitted after being charged with defacing alcohol and tobacco boards in the predominately black neighborhood around his church.

**All smoke, no fire?** Despite the efforts of people like Rev. Pfleger, tobacco companies remain a force in outdoor. Although total tobacco spending has dropped in past years, the percentage of total annual industry revenues coming from tobacco companies has hovered around 25% since 1987, according to LNA/Arbitron.

**PC or PO'd?** Two Michigan artists bought an outdoor board to hopefully spark discussion on racism—and instead sparked the anger of vandals. Their board, placed in suburban Chicago last month, portrayed a black man sitting in a golf cart holding a golf ball. The copy, promoting a fictitious country club, read, "Afro Country Club: 'where only the ball is white.' " Vandals defaced the board, forcing it to come down after six days. The artists, though, said the board had done its job of calling attention to racism.

# Out of home

*(Continued from Page S-27)*

direct mail, he says.

"We package our product with another medium to accomplish the objective of the advertiser and give him that focused buy," he says.

Meanwhile, Gannett Outdoor will continue to promote its affiliation with "Gannettwork." This cross-media structure, incorporating the media company's broadcast, newspaper and outdoor vehicles, was established in early 1991.

Mr. Davidson says he's been involved in the package since May. Although the concept is still being introduced to advertisers, Gannett has signed up Georgia Power Co. for the Atlanta portion of the network, he adds.

Buyers say they've noticed improvements in sales pitches.

"Their presentations have a bit more marketing background to them vs. what they've had in the past," Mr. Massler says.

Despite the industry's potential for next year, observers admit these hopes could collapse if the economy doesn't improve.

"Everybody seems to be holding," Mr. Chandler says. "The indications are we're climbing out of recession, but for every step forward there's a step back."

In fact, some insiders seem downcast about their fortunes.

"1991 was difficult for all of us . . . and while we all have lots of optimism about things improving [in 1992], it's not easy to see at this point in time," Mr. Davidson says. □

## SPEAKING WITH AUTHORITY

### Atlanta likes its chances, but elsewhere little clamor seen

**Helen Giles, VP-out-of-home media, Lintas:Campbell-Ewald, Warren, Mich.**

"None of our clients is clamoring for outdoor space.

"Just because it's [a quadrennial year], I don't think the outdoor industry will see a bump.

"Local elections may have some effect on outdoor space, but I don't think the presidential election will have any [impact.]"

H. Giles

**Roger Godbeer, corporate director of media, Colgate-Palmolive Co., New York**

"We believe there is more than enough inventory available. So the Olympics and the presidential elections will not impact the supply situation as they have in the past."

R. Godbeer

**Kevin Gleason, ceo, Adams Outdoor Advertising, Atlanta**

"Atlanta is the home of the 1996 Olympics, and we've already begun to promote and market successfully this past year.

"The 1992 Games coming up in France and Barcelona are only going to reinforce the excitement and enthusiam that is already in Atlanta, not only locally but from regional and national advertisers. The 1992 Olympics will impact Atlanta reasonably well. I don't see the same enthusiasm spreading nationally, however.

"As for the presidential election, we did real well last time in all our markets. But the one before that, not much happened. And with Bush being a strong front-runner I don't know if there will be a big push on the Republican side, but maybe it will come from the Democrats.

"We have a lot of impact in outdoor from local, state and federal legislators from specific states because outdoor is a consistent medium for them. It has a 24-hour-a-day consistency to it which elected officials like. They can put their picture out there and have it stay for the duration of the campaign.

"As for any bump in overall spending: When you have things that impact the country, like a presidential election, it's always good for the economy. We've always done well by it, but I've never been through this type of recessionary environment.

"The last thing I heard is that they're having a hard time selling the Olympics from a broadcast standpoint. That's a good prognosis of what's going to happen unless something stimulates the overall economic environment. We need a stronger domestic economy."

*—Laurie Freeman*

# Companies make cuts, but brands boost outdoor dollars

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

| | Parent company | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Philip Morris Cos. | $35,018.1 | $37,761.0 | -7.3% |
| 2. | RJR Nabisco | 27,041.2 | 23,669.8 | 14.2 |
| 3. | Loews Corp. | 21,268.5 | 15,868.2 | 34.0 |
| 4. | B.A.T. Industries | 13,234.2 | 5,786.2 | 128.7 |
| 5. | American Brands | 4,804.6 | 4,197.8 | 14.5 |
| 6. | Anheuser-Busch Cos. | 4,719.6 | 3,330.4 | 41.7 |
| 7. | Grand Metropolitan | 4,285.8 | 4,641.4 | -7.7 |
| 8. | McDonald's Corp. | 3,527.1 | 2,612.3 | 35.0 |
| 9. | Seagram Co. | 3,078.8 | 4,028.1 | -23.6 |
| 10. | General Motors Corp. | 2,581.5 | 2,047.2 | 26.1 |
| 11. | Guinness PLC | 2,352.9 | 2,563.8 | -8.2 |
| 12. | Matsushita Electric Industrial Co. | 2,292.5 | 2,450.9 | -6.5 |
| 13. | Bass PLC | 1,525.6 | 1,382.5 | 10.3 |
| 14. | PepsiCo | 1,496.3 | 2,949.0 | -49.3 |
| 15. | Adolph Coors Co. | 1,443.5 | 1,090.0 | 32.4 |
| 16. | Brown-Forman Co. | 1,343.1 | 1,727.4 | -22.2 |
| 17. | Manor Care | 1,322.2 | 1,361.8 | -2.9 |
| 18. | BankAmerica Corp. | 1,283.3 | 1,958.3 | -34.5 |
| 19. | CBS | 1,175.4 | 1,011.9 | 16.2 |
| 20. | Gannett Co. | 1,157.2 | 781.1 | 48.2 |
| 21. | U.S. West | 1,130.5 | 1,361.6 | -17.0 |
| 22. | Wells, Fargo & Co. | 1,125.0 | 956.0 | 17.7 |
| 23. | Delta Air Lines | 1,052.3 | 812.9 | 29.5 |
| 24. | Coca-Cola Co. | 1,008.8 | 982.8 | 2.6 |
| 25. | Allied-Lyons | 970.4 | 2,144.8 | -54.8 |

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

| | Trade name | Jan.-June '91 | Jan.-June '90 | % change |
|---|---|---|---|---|
| 1. | Marlboro cigarettes | $17,206.7 | $15,927.3 | 8.0% |
| 2. | Newport cigarettes | 16,552.3 | 14,622.7 | 13.2 |
| 3. | Camel cigarettes | 11,826.3 | 7,571.0 | 56.2 |
| 4. | Winston cigarettes | 9,977.1 | 5,056.1 | 97.3 |
| 5. | Capri cigarettes | 4,651.0 | 2,313.8 | 101.0 |
| 6. | Kool cigarettes | 4,541.0 | 1,529.9 | 196.8 |
| 7. | Kent cigarettes | 4,455.1 | 175.3 | 2,441.4 |
| 8. | Miller beer | 3,990.1 | 2,565.6 | 55.5 |
| 9. | McDonald's restaurants | 3,527.0 | 2,611.1 | 35.1 |
| 10. | Raleigh cigarettes | 3,251.2 | 252.7 | 1,186.6 |
| 11. | Bucks cigarettes | 3,178.9 | 251.7 | 1,163.0 |
| 12. | Virginia Slims cigarettes | 2,863.0 | 5,900.5 | -51.5 |
| 13. | Salem cigarettes | 2,720.5 | 7,433.9 | -63.4 |
| 14. | Budweiser beer | 2,377.4 | 1,190.6 | 99.7 |
| 15. | Universal City studios | 1,821.7 | 2,122.4 | -14.2 |
| 16. | Merit cigarettes | 1,726.4 | 3,687.3 | -53.2 |
| 17. | Parliament cigarettes | 1,639.8 | 1,087.1 | 50.8 |
| 18. | Misty Slims cigarettes | 1,534.2 | 9.2 | 16,576.1 |
| 19. | Holiday Inn hotels | 1,525.6 | 1,382.6 | 10.3 |
| 20. | Benson & Hedges cigarettes | 1,520.7 | 86.2 | 1,664.2 |
| 21. | Alpine menthol cigarettes | 1,273.4 | 2,620.7 | -51.4 |
| 22. | Saturn Corp. general promotion | 1,243.9 | – | NA |
| 23. | Wells Fargo bank | 1,124.7 | 956.0 | 17.6 |
| 24. | U.S. West public phones | 1,063.2 | 1,294.5 | -17.9 |
| 25. | Montclair cigarettes | 1,063.0 | 1,356.3 | -21.6 |

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification

# NOTE

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# New study finds green confusion

**By Joe Mandese**

Consumers are still a little green when it comes to practicing what they preach about the environment.

A new study shows that people in the U.S. don't actually buy the products they claim to prefer.

The study, conducted as part of Simmons Market Research Bureau's 1991 Study of Media & Markets, is believed to be the first to link actual buying behavior with consumer attitudes on the environment.

While the study does show consumers are sensitive to environmental issues, it also shows that being concerned doesn't mean consumers will change buying patterns.

Indeed, it appears to contradict a recent study conducted by Gerstman & Meyers, a packaging consultancy, that found consumers overwhelmingly preferred buying products that are environmentally safe.

In the Simmons survey, 60% of women 18 and older agreed

*(Continued on Page 56)*

# Fiat quits Euro RSCG

## $70M account moves as conflicts build

**By Bruce Crumley**

PARIS—Client conflict fallout is starting to rain on Euro RSCG.

Last week, Fiat pulled $70 million in French business out of the agency.

Two other automakers—Mitsubishi Motor Corp. and Porsche—are also reviewing their accounts due to conflict concerns at the shop, formed earlier this month following a merger of France's two largest agency groups, Eurocom and Roux Seguela Cayzac & Goudard.

But Fiat is the first to move. The Italian automaker shifted its French below-the-line and ad budget to D'Arcy Masius Benton & Bowles after pulling it from Eurocom-owned MAO. It's the largest account move in France in the past three years. D'Arcy won the pitch over Leo Burnett Co. and the incumbent.

Fiat decided to review the account before Euro RSCG's formation, in part because Eurocom Advertising also handles the worldwide Peugeot account, agency sources say.

**It's the largest account move in France in the past three years.**

The sources in France, however, say when RSCG's worldwide Citroen account also entered the Eurocom family, the Italian automaker was convinced to take its French business elsewhere.

Fiat is in the process of consolidating the Fiat line account across Europe at D'Arcy and Burnett, said Vittorio Rava, director of advertising.

Last week, the automaker moved its $8 million Dutch account to Noordervliet & Winninghoff/Leo Burnett, Amsterdam, from FHV/BBDO.

Fiat "does not intend to reduce its ad spending but is rather keen to be more cost-efficient," Mr. Rava said. Rather than pan-European campaigns, each geographic area, such as Italy, Greece, Portugal and Spain, will have a lead agency to coordinate local campaigns.

Among RSCG and the Eurocom family of agencies, a total of three

*(Continued on Page 56)*

## LAST MINUTE NEWS

### KLM, British Airways talk

NEW YORK—KLM Royal Dutch Airlines said Friday it's "engaged in discussions with British Airways on a range of possible areas of cooperation." The announcement follows last week's *Advertising Age* story that Northwest Airlines and British Airways are discussing a corporate alliance (AA, Oct. 14). KLM holds 10.5% of Northwest's voting stock and 20% of common stock. It's unclear whether KLM is involved in the Northwest-British Airways discussions.

### Interpublic, Omnicom stocks hot

NEW YORK—Interpublic Group of Cos. and Omnicom Group shares jumped in New York Stock Exchange trading last week. Interpublic closed at $52.75 a share, up $1.63 Friday and 18.5% from Oct. 10; Omnicom finished at $33.38, up $1.86 Friday and 15.6% from Oct. 10. Analysts said institutions seemed to be buying the shares in anticipation of an end to the recession and a pickup in the ad business.

### Ayer may merge L.A. office

LOS ANGELES—N W Ayer plans to

*(Continued on Page 8)*

## INSIDE

**One on one:** Carl Icahn talks about TWA's new fare promotion. **Page 4.**

**DataWatch:** What's a data base and who uses them. **Page 22.**

**Ad review:** Garfield says new test campaign for Kool isn't cool. **Page 58.**

AD AGE ROUNDTABLE: SEXUAL HARASSMENT

Doug Goodman

Discussing the issue of sexual harassment were Diane Rothschild, Myrna Blyth, Frances Lear and Louise McNamee.

# 'I don't see it as pervasive'

## Top female execs say media, agency record is good

*The Senate confirmation hearings of Supreme Court nominee Clarence Thomas and his Capitol Hill confrontation with Professor Anita Hill sparked nationwide debate on the issue of sexual harassment.* Advertising Age *invited Frances Lear, editor in chief of* Lear's*; Diane Rothschild, president of Grace & Rothschild, New York; Myrna Blyth, publishing director-editor in chief,* Ladies' Home Journal*; and Louise McNamee, president-chief operating officer of Della Femina, McNamee, to share their views in a panel discussion with New York Deputy Bureau Chief Pat Sloan on how the issue and the debate have affected advertising, marketing and media. An edited version follows:*

■ **Sexual harassment issues are a hot topic at media companies, agencies and advertisers—Page 55.**

**Advertising Age:** *Do you think sexual harassment is a big problem in the advertising, marketing and media industries today, and to what extent?*

**Ms. Lear:** I think it's a big problem generally. I don't know how we stand as an industry, whether we're better or worse than anybody else. But it certainly is an enormous problem throughout the country. I would imagine certain industries are worse than we are . . . because we have some kind of enlightenment.

**Ms. Rothschild:** I don't think it's that much of a problem. Based on experience and from what I observe, there are isolated incidents that are offensive. But I don't see it being pervasive or as common

*(Continued on Page 54)*

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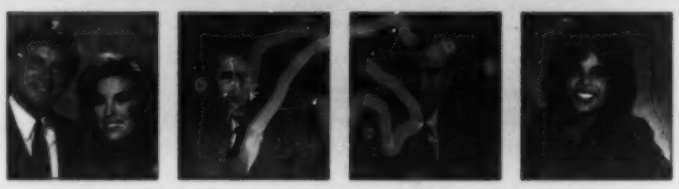

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# 'Pravda' struggles post-coup

**By Betsy McKay**

MOSCOW—*Pravda*, once the largest daily newspaper in the Soviet Union, has fallen on hard times.

The newspaper, formerly the rich child and mouthpiece of the Communist Party, is now faced with paying its own bills.

After being shut down in August during the unsuccessful coup, the paper declared its independence and became an employee-owned-and-operated publication. Instead of reporting Communist propaganda, the paper strives to be somewhat more objective.

Circulation has slid dramatically, a trend that started earlier. Circulation now stands at about 2.5 million, down 69% from 8 million in 1990, said Victor Linnik, *Pravda's* New York-based U.S. correspondent. *Pravda* now has the lowest circulation of all the established national dailies in the Soviet Union.

At this point, *Pravda* doesn't even know whether it or the disintegrating Communist Party owns the property where the daily is based. And bills for paper, are mounting.

Since the attempted coup, *Pravda* hasn't had access to the money in its bank accounts and isn't likely to get it, Mr. Linnik said.

The chief hope for survival is advertising.

"Thank God, the attitude toward advertising has changed," said Gennady Zafesov, *Pravda's* director of advertising.

GLOBAL NEWS

The paper's editorial leaders have realized that to survive, they will have to accept concepts like advertising that they used to consider evil.

Although the paper has had an ad department for almost eight months, few ads have run.

There are indications, however, that that may change.

Even though Western advertising has been practically nil, advertising in *Pravda* is up overall, Mr. Zafesov said.

As an example, he said his department netted four pages of ads in one week in mid-September, exceeding its usual volume of four to six pages per month. Ad rates are $50,000 to $60,000 for a page, but "prices are flexible," Mr. Zafesov said.

Most of the ads are for small stock exchanges—including the Russian Raw Materials & Commodities Exchange—and trading companies that are cropping up around the country. Soviet banks and financial institutions also advertise.

Mr. Zafesov attributed the lack of Western business to "the very difficult economic situation in this country.

"It seems to me that as soon as there are some real moves toward improvement, then things will pick up," he said.

Ads are also starting to pick up slowly at *Izvestia*. Although Advertising Director Eduard Gonzalez said so far he's seen no sign of an increase in advertising, a look at the 4.7 million-circulation daily indicates otherwise.

Recently, there have been half-page ads for Sony Corp. TVs and tape decks and automaker Hyundai, as well as quarter-page ads for Taiwan Computers and Ricoh Co. copiers. A recent eight-page issue contained two pages of advertising.

*Izvestia* is now independent but was the official organ of the Soviet Parliament until just after the coup.

Most foreign advertisers negotiate contracts through *Izvestia's* Western agent, German Burda Publishers.

*Izvestia* also plans to print a weekly 12-page issue on Fridays starting in 1992, an attempt to attract more readers than its usual six-to-eight-page format.

A 12-page experimental issue, published Sept. 24, contained 1½ ad pages, but Mr. Gonzalez is aiming for four. The rate now is $52,000 a page, but Mr. Gonzalez said, "We'll be cheaper next year." □

Advertising Age *intern Fyodor Nosov contributed to this story.*

# What TV program is hot in Moscow? 'Dallas,' of course

**By Betsy McKay**

MOSCOW—"Dallas" attracted the most Soviet viewers during a week-long run of U.S. programming on Soviet TV's Channel 1, according to a poll of 500 Muscovites completed by Gosteleradio's social research center.

"Dallas" garnered 66% of the viewers, who gave the show a rating of 4 for entertainment value on a scale of 1 to 5, with 5 being the highest.

The glitzy prime-time soap gave the audience a chance to "acquaint themselves with the American way of life," considered "realistically portrayed," according to the study. The actors' looks and personalities, as well as the "moral values" portrayed in the dubbed programs, attracted viewers, the study said.

The shows aired from July 1 to 6. The 500 Muscovites polled, all over the age of 16, were chosen randomly from Gosteleradio's in-house list of viewers and asked to complete a questionnaire two weeks after the U.S. programming aired. The questionnaires were returned by early August to the All-Union Television & Radio Co., also known as Gosteleradio.

U.S. TV shows are "easy and relaxing to watch" and more professionally produced than Soviet TV, the study said.

"The Man From Atlantis" attracted 65% of viewers surveyed, achieving an entertainment rating of 4.2.

Other popular programs included "The Love Boat" (57% viewership), enjoyed for its "light comedy," and "Highway to Heaven" (53%), drawing viewers because of the charity and care shown for the elderly and general "belief in people," according to the study. "The Streets of San Francisco" attracted 38% of viewers surveyed, while "Little House on the Prairie" grabbed 24%. The two-part documentary "American Chronicles" pulled 27% for day 1 and 22% for day 2.

"The Flintstones" and "The Jetsons" grabbed 32% and 29% of the viewers, respectively.

Forty-three percent of those surveyed gave negative comments on the U.S. programming, with some complaining the programs were dated or "primitive" and aimed at the lowest common denominator of viewers.

Apparently not recognizing the cartoons as children's programs, some respondents said they would like to see children's or youth programs. Others expressed a desire to see sports shows and what they called "classical" programs —old films or concerts. □

## The boobsky tube

The most popular U.S. TV shows in Moscow.

| Show | % watching show | Rating* |
|---|---|---|
| "Dallas" | 66 | 4.0 |
| "The Man From Atlantis" | 65 | 4.2 |
| "Love Boat" | 57 | 3.9 |
| "Highway to Heaven" | 53 | 4.0 |
| "Beverly Hills" | 38 | 3.5 |
| "The Flintstones" | 32 | 3.8 |
| "The Jetsons" | 29 | 4.0 |
| "American Chronicles" | 27 | 3.3 |
| "Little House on the Prairie" | 24 | 3.5 |
| "American Chronicles" | 22 | 3.0 |

*Entertainment rating, on a scale of 1 to 5. Two episodes of "American Chronicles" aired separately. Source: Gosteleradio

## Visa charges ahead into Soviet market

**By Betsy McKay**

MOSCOW—Visa last month became the first credit card available to the general public in the Soviet Union.

Only the tiny percentage of Soviets holding a hard-currency account will be able to get the cards, which will expire every six months.

The cards, issued by Russian commercial bank Credobank for Visa International, will be linked to hard-currency accounts.

The cards are aimed at the growing number of Soviet business people traveling abroad.

Credobank hopes to issue 500 cards by yearend and 3,000 to 5,000 during a two-year period, said Ruslan Vassiliev, deputy general director of BBDO Marketing, the agency handling the credit card marketer's public relations and marketing.

Igor Lipanov, director of Credobank's credit card division, said an education print and TV campaign generated by the bank's own commercial department began this month. □


# Show Off Your Stuff.

**a call for entries**

**Chicago wants to see your stuff.**

With the support of The Chicago Advertising Federation, O'Hare Plaza and *Advertising Age's* Creativity Magazine, The Off The Street Club is sponsoring a billboard design competition to raise money for and awareness of the organization. They invite you to "Draw The Line For Good."

**The Off The Street Club**
The Off The Street Club is a safe haven on Chicago's West Side that for 90 years has offered 3000 teenagers an alternative to gangs and violence. It is supported largely through the efforts of Chicago's advertising community.

**How to Enter**
Create a billboard design that captures the spirit of The Off The Street Club. The competition is open to advertising, sales promotion, public relations, graphic design and marketing communications agencies and corporate departments in the Chicago area.

Winners will have their design and name displayed on the O'Hare Plaza office complex billboard, visible from the Kennedy Expressway, and will be recognized at the dedication of the billboard. The winner and runners-up will have their designs showcased in the December issue of *Advertising Age's* Creativity Magazine.

Deadline for entries is NOVEMBER 18, 1991. For further entry details and guidelines, contact Dawn Gray at 312/372-9333.

Advertising Age's *creativity*

SEPTEMBER AD RESULTS

# Skimpy fall fashions

## September issues benefit little from traditional ads

**By Scott Donaton**

Traditionally ad-fat fall fashion issues shed some weight last month as the advertising depression wears on.

MEDIA WORKS

September issues are usually the year's thickest for women's magazines dependent on fashion, retail and beauty advertising. While that held true this year, September fashion books were slimmer than the same issues in 1990, Publishers Information Bureau reports.

Category leader *Vogue* saw ad volume fall 12.7% for the month but still carried an impressive 422.4 pages. Competitors didn't fare as well. *Elle's* 257.8 ad pages were down 22.9%; *Harper's Bazaar's* pages fell a painful 42.2% to 130.3.

Other fashion- and beauty-oriented women's titles down in pages for the month included *Cosmopolitan, Glamour, Lear's, Mademoiselle, Mirabella, New Woman, Self* and *Seventeen*. Conde Nast Publications' fledgling *Allure* carried an anemic 22.8 ad pages in September.

Twice-monthly *W* was the only title with cause to celebrate: Its 222.9 pages were up 42.4% from last September.

The men's fashion field posted similar results. *GQ*, with 223.5 pages, was down 24.2%. *M Inc.*—to be renamed *M* with its November issue—saw pages drop 18.2% to 124. *Esquire* was flat with 131.8 pages.

Overall, magazine ad pages for the month totaled 14,854.1, a 7.9% decline. After three quarters, PIB-tracked magazines were down 10% at 109,265.5 pages.

*Forbes* took the lead among PIB-tracked magazines for January-September with 2,317.2 ad pages, a loss of 6.9%. The every-other-weekly's 483.7 September pages were up 76.2%. That gain was primarily attributable to a strong showing by spinoff *Forbes FYI*, rather than increases for *Forbes*. The quarterly lifestyle supplement's Sept. 30 issue carried 78 ad pages, counted as part of *Forbes'* total.

Rival *Business Week* was second overall with 2,265.5 pages so far this year, a 20.4% decline, and likely will assume its place atop the PIB ad page chart in the fourth quarter despite substantial losses this year. *Fortune* was fifth overall with 1,940.9 pages, down 16.4%.

Among national Sunday magazines, *Parade* was up 6.3% through September with 551.1 ad pages. *USA Weekend's* 488.7 pages were down 2.3%. Among local Sunday magazines, *The New York Times Magazine* continued to bleed ad pages, down 27.1% to 1,953.5. The *Los Angeles Times'* Sunday magazine was flat after nine months with 669.2 pages.

At least two magazines had a reversal of fortune—one for the better and one for the worse.

*American Health*, where ad pages were off more than 40% after six months, saw pages rise 16.2% to 34.3 for the month. The gain left January-September pages down 29.4% at 231.3. *Runner's World*, where ad pages were up more than 40% at the half, carried 35.9 pages in September, a 37.9% drop. After nine months, its pages totaled 415.8, up 19.2%. □

### Top 10 magazine ad categories by revenue

| Category | 1991 revenue | % chg | 1991 pages | % chg |
|---|---|---|---|---|
| Automotive* | $614,894,613 | (2.8) | 10,785.4 | (10.2) |
| Toiletries & cosmetics | $465,728,309 | (3.2) | 9,714.7 | (10.7) |
| Direct response | $404,270,072 | 7.1 | 13,021.8 | (1.4) |
| Food | $307,966,908 | (9.3) | 4,929.7 | (15.4) |
| Business & consumer svcs. | $297,778,665 | (15.9) | 7,907.3 | (19.5) |
| Apparel** | $290,542,360 | (7.7) | 9,747.1 | (10.0) |
| Travel, hotels & resorts | $258,330,055 | (7.6) | 8,186.3 | (9.0) |
| Cigarettes & tobacco | $203,470,501 | (5.0) | 3,362.7 | (8.9) |
| Computers & office equip. | $184,209,254 | 8.2 | 3,903.6 | 1.1 |
| Liquor | $141,416,618 | (1.4) | 2,957.5 | (3.4) |

Revenue and page figures are from January-September 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

# VideOcart hunts media deal

**By Scott Hume**

CHICAGO—VideOcart is looking for a media partner.

The in-store marketing company initiated discussions with all four TV networks and plans talks with major publishers to strike a deal for an advertising presence at supermarket checkouts.

VideOcart, whose liquid-crystal video devices on supermarket shopping carts display ads and store information as shoppers move through a store, says its two top short-term objectives are to sign a multibrand advertiser and a media company.

The media deal likely will be signed first, and soon, said VideOcart Exec VP Bob McCann.

"I'm confident we'll do a deal in the next few months," he said. "It may be with a newspaper or a magazine publisher or TV network, but we intend to have a checkout sponsor."

VideOcart recently signed a deal with Sears, Roebuck & Co.'s Discover card unit, making an ad for the credit card the first screen shoppers see when they start their tours through one of the 30 stores in 13 markets equipped with the devices.

The company wants an exclusive sponsor for the last screen, which now carries horoscopes, trivia questions and other entertainment features at the checkout.

"The screen could give the day's headlines and ask, 'Want to know more? See today's *USA Today*,' " he said. "Or say, 'What was Liz Taylor's wedding really like? Pick up this week's *People* magazine.'

"If we tie in with a TV network, the screen could give that night's prime-time schedule."

VideOcart's recent strategic alliance with Information Resources Inc. provides for a sharing of information, including household buying information from IRI's InfoScan service. That will allow package-goods marketers to decide which brands to promote via VideOcart in individual stores.

Similarly, it could allow multi-property media companies to use VideOcart to "micro-market" specific publications or TV programs based on lifestyle and viewing patterns of an individual store's clientele, Mr. McCann said.

Having completed a 2 million-share offering that raised $27.3 million in capital, VideOcart is moving into an expansion phase. It's promising advertisers and investors that it will be in at least 500 stores by 1993. □

MEDIA MIX

*News briefs on print, electronic and alternative media.*

**Meredith's fall freeze.** Meredith Corp. began a companywide salary freeze that it said will last at least one year and will affect all areas, including the company's magazine, book publishing and cable TV operations. In an internal memo outlining the freeze and other minor cost-cutting actions, President-CEO Jack Rehm stressed that the company hasn't been "forced into really awful decisions" such as massive layoffs or asset sales.

**Court records.** TeeVee Toons filed suit in the Supreme Court of New York State against *Details* and parent Conde Nast Publications, charging the magazine with the "intentional misappropriation" of a promotion that offered a customized music collection as a subscription premium. TeeVee Toons, a record company that had approached *Details* with the promotion, seeks at least $700,000 in damages; Conde Nast said the lawsuit is without merit. □

*Joe Mandese coordinates Mediaworks.*

### Magazine ad page leaders

Publishers Information Bureau figures for January through September 1991.

| Rank | Magazine | Pages | % chg | Dollars | % chg |
|---|---|---|---|---|---|
| 1 | Forbes | 2,317.20 | (6.9) | 102,571,061 | (5.2) |
| 2 | Business Week | 2,265.55 | (20.4) | 138,645,819 | (13.5) |
| 3 | Bride's | 2,220.07 | (5.7) | 41,787,812 | (0.1) |
| 4 | People | 2,174.92 | (12.8) | 226,317,246 | (3.9) |
| 5 | Fortune | 1,940.94 | (16.4) | 100,663,427 | (9.6) |
| 6 | Modern Bride | 1,927.77 | 1.9 | 30,881,390 | 0.1 |
| 7 | Vogue | 1,887.72 | (12.9) | 75,514,537 | (3.7) |
| 8 | TV Guide | 1,751.19 | (19.9) | 204,384,266 | (13.4) |
| 9 | The Economist | 1,708.75 | (12.5) | 16,302,163 | (4.1) |
| 10 | Sports Illustrated | 1,540.89 | (14.7) | 210,607,027 | (7.4) |
| 11 | New York Magazine | 1,499.24 | (15.6) | 26,213,589 | (8.9) |
| 12 | Entrepreneur | 1,479.62 | (1.7) | 16,210,054 | 12.2 |
| 13 | Cosmopolitan | 1,439.35 | (8.8) | 93,525,284 | (0.9) |
| 14 | Time | 1,434.45 | (20.0) | 215,932,915 | (12.5) |
| 15 | U.S. News & World Report | 1,284.54 | (3.0) | 109,949,989 | 4.0 |
| 16 | Newsweek | 1,273.15 | (17.5) | 148,720,334 | (12.8) |
| 17 | Glamour | 1,237.73 | (10.0) | 67,082,972 | (4.2) |
| 18 | Elle | 1,213.57 | (23.7) | 40,082,239 | (14.8) |
| 19 | Golf World | 1,206.14 | 0.5 | 10,699,361 | 11.4 |
| 20 | The New Yorker | 1,183.46 | (19.6) | 32,349,917 | (14.5) |
| 21 | Good Housekeeping | 1,140.62 | (6.9) | 118,833,390 | 2.0 |
| 22 | Rolling Stone | 1,139.56 | (15.8) | 46,852,987 | (7.1) |
| 23 | American Way | 1,119.56 | (12.1) | 16,335,998 | (6.3) |
| 24 | Skin Diver | 1,100.85 | (1.6) | 11,163,332 | 6.1 |
| 25 | GQ | 1,100.51 | (21.6) | 29,851,020 | (12.8) |
| 26 | Family Circle | 1,064.68 | (12.6) | 91,778,520 | (7.6) |
| 27 | Ladies' Home Journal | 1,057.39 | (1.5) | 82,088,078 | 5.8 |
| 28 | Muscle & Fitness | 1,057.07 | 13.2 | 19,260,434 | 20.3 |
| 29 | Yachting | 1,037.15 | (14.6) | 6,732,879 | (10.9) |
| 30 | Sunset | 1,014.96 | (6.4) | 30,695,970 | (8.1) |
| 31 | Mademoiselle | 972.40 | (15.7) | 34,353,911 | (8.5) |
| 32 | Parents | 961.86 | (5.4) | 43,223,551 | 4.4 |
| 33 | Car & Driver | 953.53 | (1.3) | 37,671,826 | 2.6 |
| 34 | Popular Photography | 950.34 | 4.9 | 22,739,704 | 4.8 |
| 35 | Texas Monthly | 947.40 | (3.5) | 11,123,927 | 0.3 |
| 36 | Travel & Leisure | 931.96 | (6.0) | 39,763,165 | (2.6) |
| 37 | Golf Digest | 925.00 | (8.1) | 53,918,119 | 4.6 |
| 38 | Better Homes & Gardens | 906.81 | (0.3) | 113,321,609 | 10.0 |
| 39 | W Magazine | 906.80 | (7.7) | 21,233,071 | (6.0) |
| 40 | Woman's Day | 903.06 | (8.3) | 69,651,034 | (2.5) |
| 41 | Vanity Fair | 888.92 | (7.5) | 32,065,947 | (4.5) |
| 42 | Architectural Digest | 880.58 | (32.6) | 25,148,939 | (27.8) |
| 43 | Southern Living | 876.48 | (5.9) | 45,083,243 | (4.7) |
| 44 | Money | 827.98 | (5.6) | 56,834,828 | 4.3 |
| 45 | Golf Magazine | 826.25 | (8.3) | 30,925,160 | 2.5 |
| 46 | Road & Track | 809.43 | (3.1) | 24,634,762 | (0.7) |
| 47 | Jet | 779.40 | 1.2 | 13,845,355 | 6.3 |
| 48 | Redbook | 771.53 | (9.6) | 51,248,321 | (5.3) |
| 49 | Seventeen | 759.06 | (23.7) | 27,193,939 | (9.4) |
| 50 | Gourmet | 756.88 | (12.0) | 22,623,827 | (1.7) |
| 51 | Harper's Bazaar | 755.13 | (24.2) | 22,230,826 | (16.8) |
| 52 | Bicycling | 733.44 | (7.9) | 11,163,896 | 0.3 |
| 53 | Salt Water Sportsman | 725.97 | (18.4) | 5,137,379 | (10.0) |
| 54 | McCall's | 714.72 | 1.4 | 56,926,899 | 8.9 |
| 55 | Town & Country | 703.97 | (34.2) | 19,611,581 | (24.2) |
| 56 | Conde Nast Traveler | 700.17 | (4.4) | 21,000,596 | 2.3 |
| 57 | Four Wheeler | 694.87 | (6.8) | 6,341,522 | 7.1 |
| 58 | Ebony | 690.39 | (11.4) | 26,673,942 | (3.2) |
| 59 | Self | 685.91 | (27.6) | 27,927,390 | (20.7) |
| 60 | Country Living | 685.72 | (13.7) | 31,173,509 | (2.2) |
| 61 | Black Enterprise | 682.28 | (2.5) | 10,126,110 | 8.4 |
| 62 | Inc. | 663.45 | (15.4) | 29,646,944 | (7.9) |
| 63 | Mirabella | 660.42 | (12.1) | 14,245,746 | 16.5 |
| 64 | San Francisco Focus | 640.39 | (23.9) | 4,420,281 | (20.7) |
| 65 | Bon Appetit | 631.39 | (13.3) | 20,390,640 | (8.0) |
| 66 | Outside Magazine | 626.74 | 12.2 | 12,898,775 | 26.8 |
| 67 | Esquire | 623.28 | (29.2) | 20,823,145 | (25.2) |
| 68 | Motor Trend | 622.05 | (7.0) | 24,505,571 | 1.7 |
| 69 | Entertainment Weekly | 621.78 | 1.7 | 15,139,120 | 17.6 |
| 70 | Reader's Digest | 616.67 | (20.5) | 68,793,006 | (14.9) |
| 71 | HG | 616.15 | (14.4) | 16,820,680 | (6.9) |
| 72 | Compute | 603.19 | NA | 5,330,777 | NA |
| 73 | Automobile Magazine | 598.67 | 4.2 | 15,607,978 | 39.7 |
| 74 | Working Woman | 591.92 | (19.5) | 19,870,018 | (13.6) |
| 75 | Smithsonian | 589.23 | (13.1) | 26,260,202 | (9.6) |
| 76 | Metropolitan Home | 586.74 | (28.0) | 21,439,159 | (17.6) |
| 77 | Parenting | 585.90 | 9.5 | 13,631,386 | 45.1 |
| 78 | Field & Stream | 576.11 | (4.8) | 27,128,079 | 3.2 |
| 79 | Delta Sky | 572.67 | (9.2) | 16,076,970 | 2.2 |
| 80 | Essence | 570.96 | (12.2) | 16,261,589 | (0.9) |
| 81 | Hot Rod | 569.33 | (7.2) | 14,539,479 | (1.6) |
| 82 | Penthouse | 563.77 | 20.5 | 22,812,547 | 19.1 |
| 83 | Tennis | 563.71 | (2.4) | 19,966,998 | 1.8 |
| 84 | Parade* | 551.15 | 6.3 | 263,839,822 | 13.4 |
| 85 | Outdoor Life | 548.76 | (9.4) | 18,894,683 | 1.1 |
| 86 | New Woman | 547.01 | (18.7) | 15,091,392 | (8.7) |
| 87 | Sports Afield | 545.72 | (8.7) | 11,983,283 | 0.1 |
| 88 | Playboy | 541.02 | 7.0 | 35,202,284 | 4.1 |
| 89 | Popular Science | 520.33 | (6.8) | 16,131,703 | 1.8 |
| 90 | House Beautiful | 517.70 | (2.6) | 21,506,688 | 10.1 |
| 91 | Popular Mechanics | 514.96 | (13.1) | 18,447,716 | (3.8) |
| 92 | Shape Magazine | 510.96 | 7.2 | 8,553,067 | (2.4) |
| 93 | Basemaster | 492.52 | (8.7) | 10,253,107 | (4.5) |
| 94 | Premiere | 490.57 | (10.5) | 9,925,302 | 1.1 |
| 95 | USA Weekend* | 488.74 | (2.3) | 96,268,301 | 14.0 |
| 96 | Yankee | 485.40 | (12.2) | 6,355,227 | (4.3) |
| 97 | Omni | 482.89 | 12.7 | 13,252,478 | (3.7) |
| 98 | Working Mother | 481.00 | (11.1) | 11,840,362 | (5.9) |
| 99 | M Inc. | 467.66 | (24.6) | 6,460,046 | (13.5) |
| 100 | Ski | 465.65 | 2.5 | 9,337,765 | 2.5 |

Percent change compares January-September in 1991 with 1990. *National Sunday magazine, tracked separately by PIB. Source: Publishers Information Bureau